



Measure A Extension Second Public Hearing

December 5, 2023
Agenda Item 16.2



Measure A Overview

- $\frac{3}{4}$ Percent Sales and Use Tax
- \$36 million average in General Revenue
 - 17% of General Fund Revenues
- Tax will sunset after 10 Years
- Extension requires two Public Hearings and adoption of findings

Extension Timeline

1. **November 13** – Measure A Committee Reviewed Findings
2. **November 14** – First Public Hearing
3. **November 20** – Measure A Committee Second Review of Findings
4. **December 5** – Second Public Hearing and vote to extend

Background



Approved by Voters

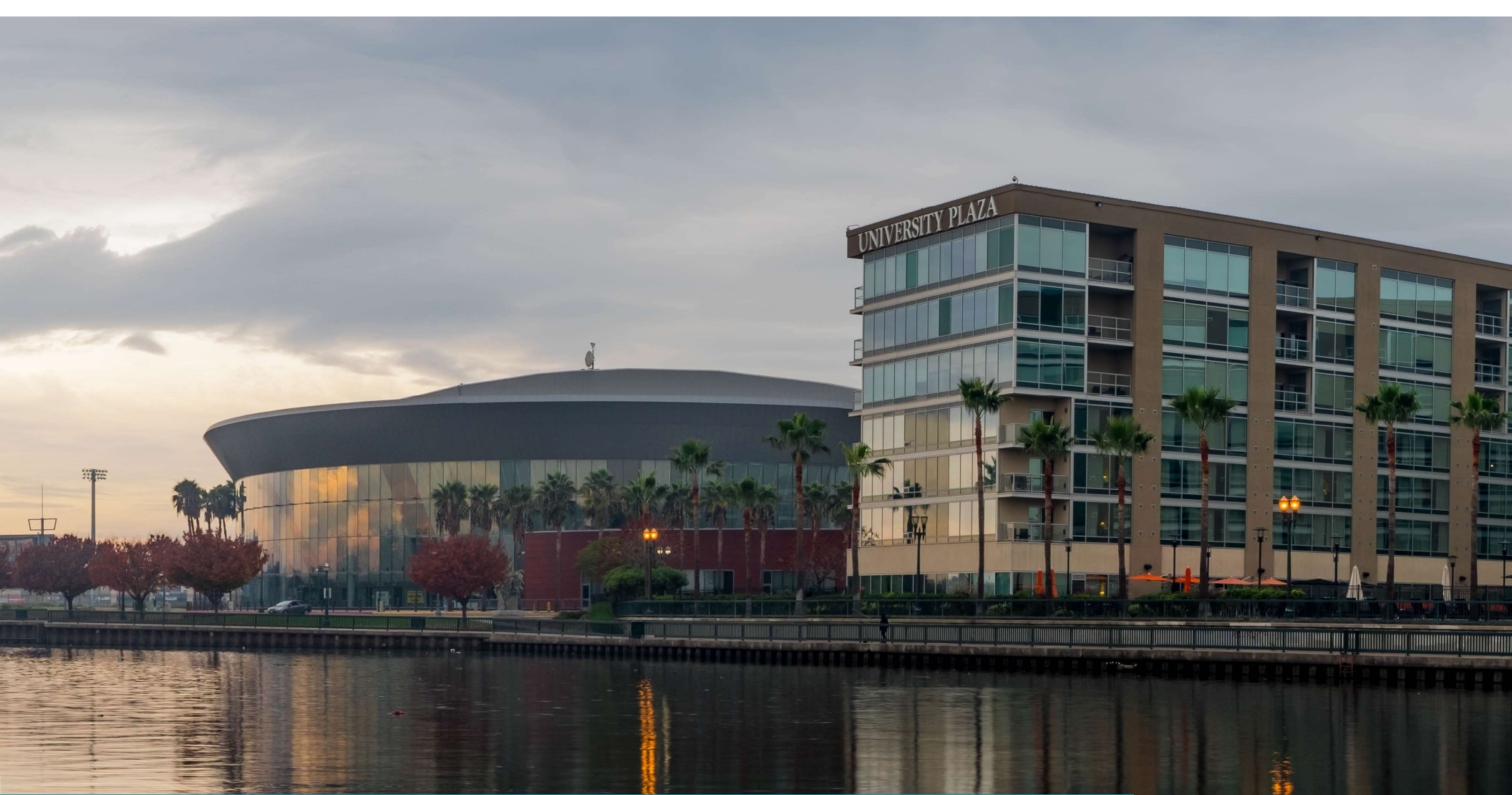
Measures A and B were approved by voters as a General Tax

Measure B

Advised 65% Prioritized for Law Enforcement & Crime Prevention

Healthy City

Instrumental to a fiscally healthy City that can perform basic services



Sunset Provisions and Findings

Sunset Provision

Section 17 of the ordinance

Sunset of Tax. The taxes imposed by this Ordinance shall remain effective until:

- (i) the City Council or the voters repeal it
- (ii) The City has experienced economic recovery
- (iii) Ten years from the date the tax is first collected.***

Extension and Findings

Section 17 (b) In order to extend the sunset, Council needs two publicly noticed hearings to adopt findings based on evidence that:

Revenues continue to be necessary

The revenues continue to be necessary to accomplish the purposes* of this Ordinance

Employee compensation is not excessive

The total compensation paid to City Employees is not excessive when compared to similarly situated public employees

***SECTION 21**

The proceeds of the taxes imposed by this Ordinance may be used for any lawful purpose of the City.

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

THE MIDDLE OF THE MARKET RATE

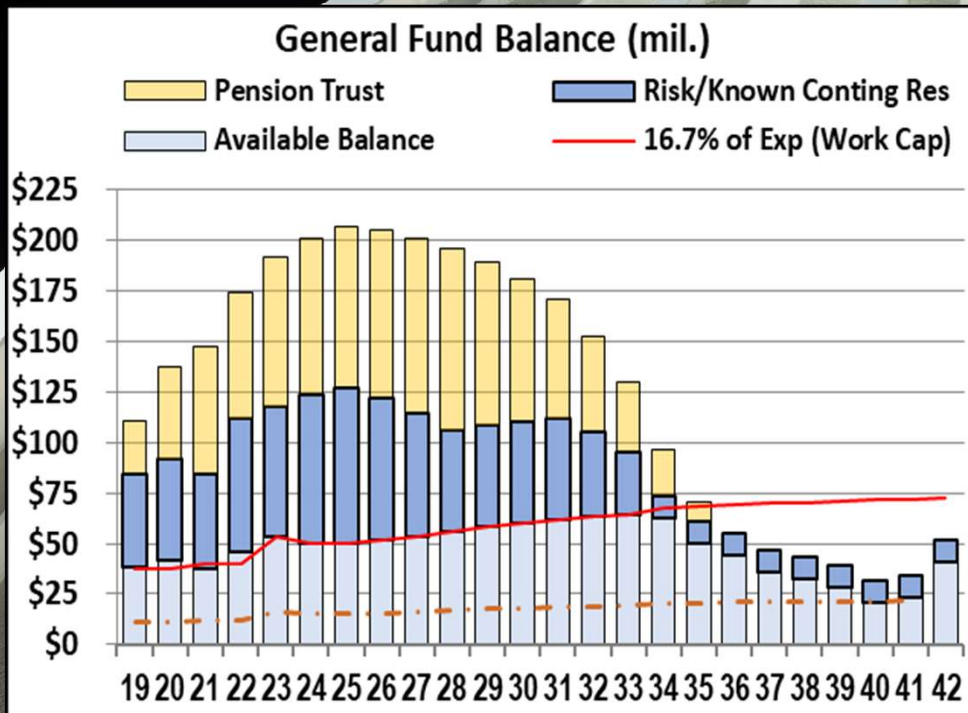
The City targets the labor market median (middle)

MARKET ADJUSTMENTS

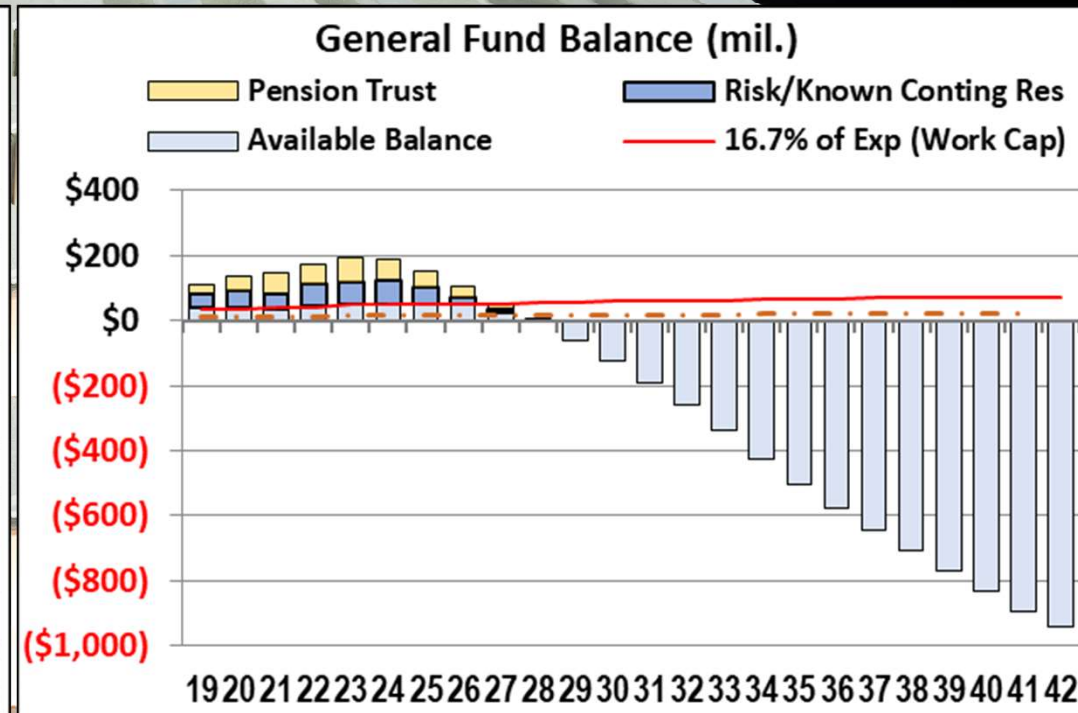
Market adjustments based on the study are negotiated and included in labor agreements

Impact on Long-Range Financial Plan

Fund Balance with Measure A



Fund Balance without Measure A

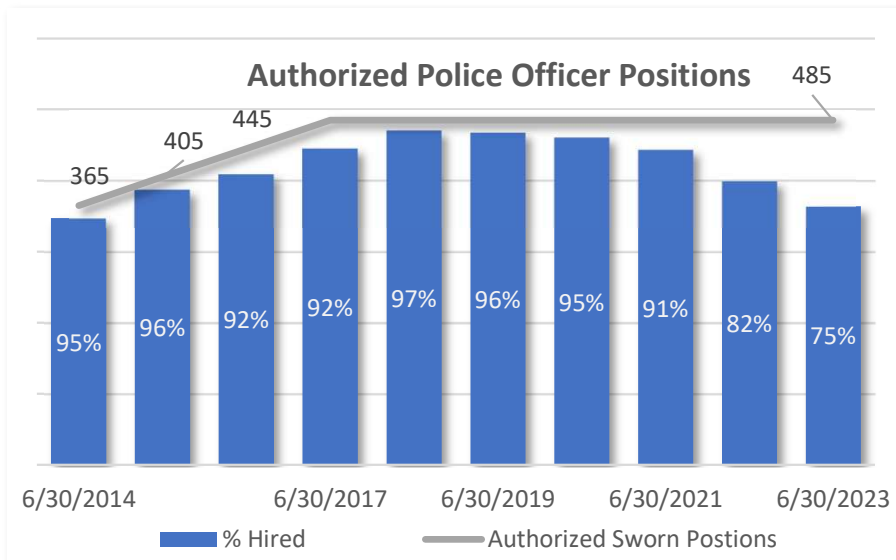
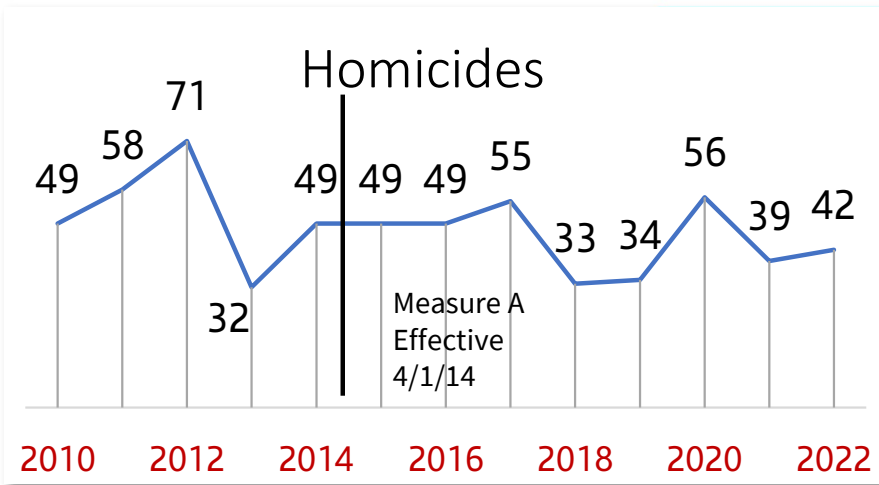


Without Measure A, the City will expend its reserves by the end of FY 2027-28 and become insolvent unless significant cuts to vital city services are made.

Measure A is NECESSARY

- 17% of General Fund
- Loss = Massive cuts to nearly every service area
- Reduced police force and response times
- 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

Marshall Plan Recommendations



1. Operation Ceasefire

Strategically partner with high-risk individuals

2. OVP/Outreach Workers

Leverage targeted resources and services that alleviate violent crime factors

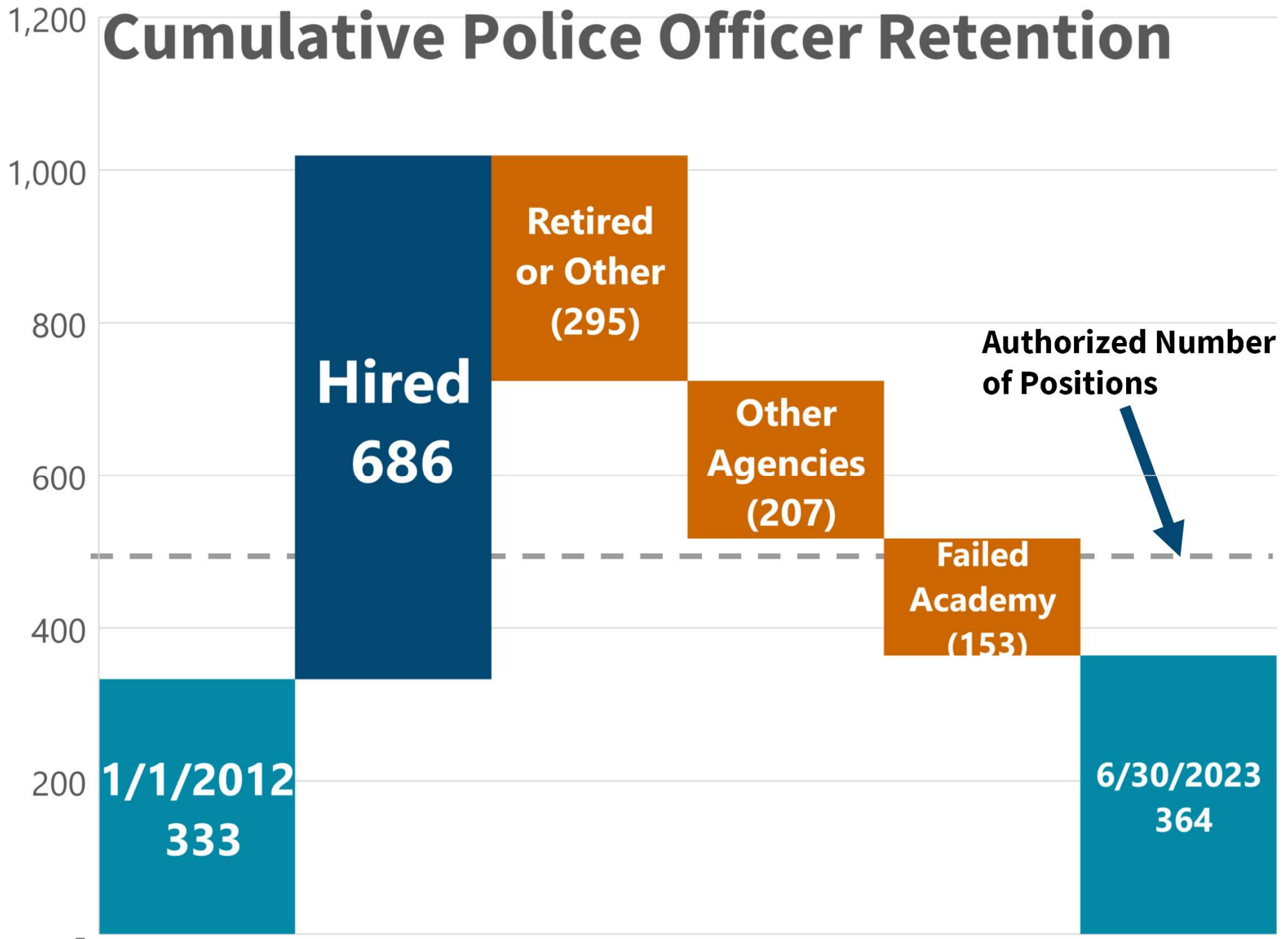
3. Neighborhood Betterment Team

Improve the areas where crime happens

4. Add 120 Police Officer Positions

Budgeted positions increased to 485. Filled to 97% in FY 2017-18

Cumulative Police Officer Retention



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 Measure B **Expenditure Guidelines**
 - Reallocate salary savings for **better retention**

A New Retention Plan

A historic breakthrough in Police retention:

- Reprogram 60 unfilled positions towards **retention and recruitment**
- Existing budgeted funds will be reprogrammed
- Subject to the extension of Measure A and economic feasibility
- Assessed annually for opportunity to **restore sworn positions**

Will make the City **more competitive** in the Law Enforcement recruitment marketplace.

The background of the slide is a photograph of a city street. On the left, a tall, multi-story brick building with many windows is visible. In the foreground, there's a street with traffic lights and a few cars. A white car is parked on the right side of the street. The sky is a clear, pale blue. Some red leaves from a tree are visible in the top left corner.

Recommendations

At the conclusion of the Public Hearing:

1. Approve an **ordinance** which adopts requisite findings and extends the sunset of the tax measure, and
2. Approve a **resolution** amending the authorized positions in the FY 2023-24 Annual Budget.