



CITY OF OAK PARK

THREE YEAR BUDGET

EXECUTIVE SUMMARY

Fiscal Year 2017-18

Projected Budgets

FY 2018-19 & FY 2019-20

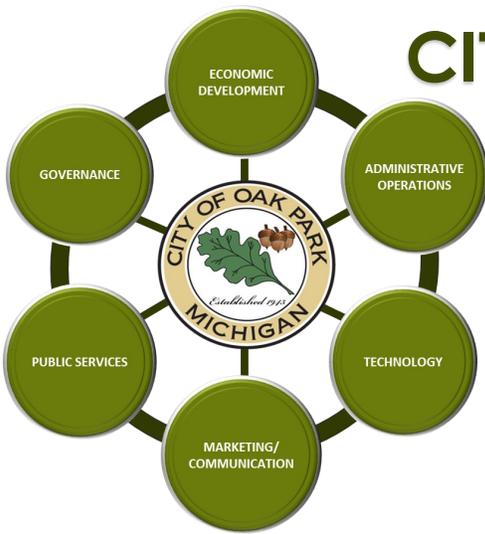
COMMUNITY, CULTURE, AND COMMERCE



I am pleased to present the Financial Summary of the Annual Budget for Fiscal Year 2017-18 and the FY 2018-19 and FY 2019-20 Projected Budgets. Each year I am given the honor of providing a recommended budget for the upcoming Fiscal Year. This is the second year that we are offering residents a simpler and clearer option in which to view the City's budget; the Executive Summary. In this easy-to-read summary, residents and business owners can view the highlights of this fiscal year's budget.

As such, I am happy to report that for the second year in a row we have passed a three year balanced budget, setting a long term fiscally stable course for our community. Within this document I have highlighted some of the challenges the City is facing, the opportunities, and cost saving initiatives we have identified. I have also included some interesting facts about our excellent city departments. I hope you enjoy this easy-to-read summary, and by the end, I hope you share my excitement for what the future holds for our great city!

CITY COUNCIL STRATEGIC PLAN



In 2013, City Council adopted a Strategic Plan that consists of six priority areas of focus, each with measurable objectives intended to guide the City through 2019. The priorities of the Plan are summarized within three main tenets. Community, Culture, and Commerce. You will see these Council objectives, and the ways in which we are meeting them, scattered throughout this summary,

COMMUNITY

Strengthen community by providing the highest possible quality of life, and becoming a regional leader in rebuilding the urban environment and public realm

CULTURE

Enhance culture by providing the highest quality programs and services while encouraging collaboration among community members and maintaining the City's unique cultural diversity

COMMERCE

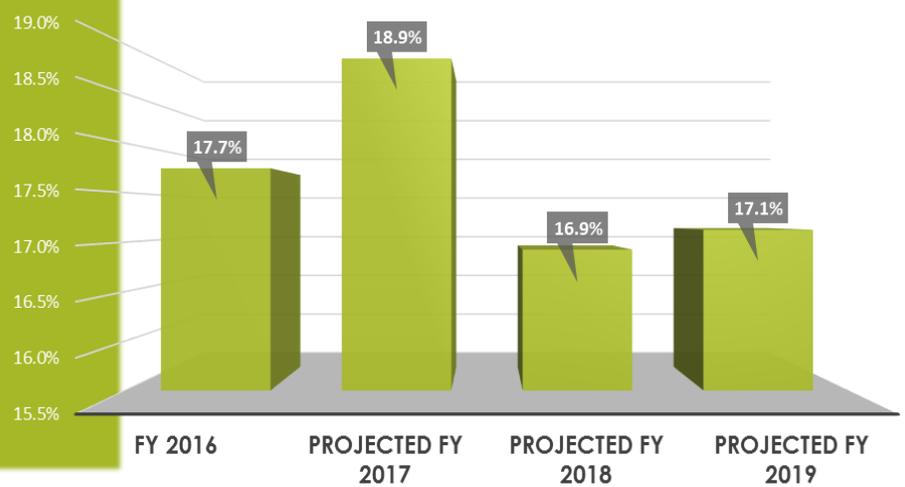
Stimulate commerce by encouraging business growth and innovation, while establishing a vibrant city center and thriving activity nodes, and ultimately maximizing Oak Park's competitiveness in the region



MAINTAIN FINANCIAL STABILITY

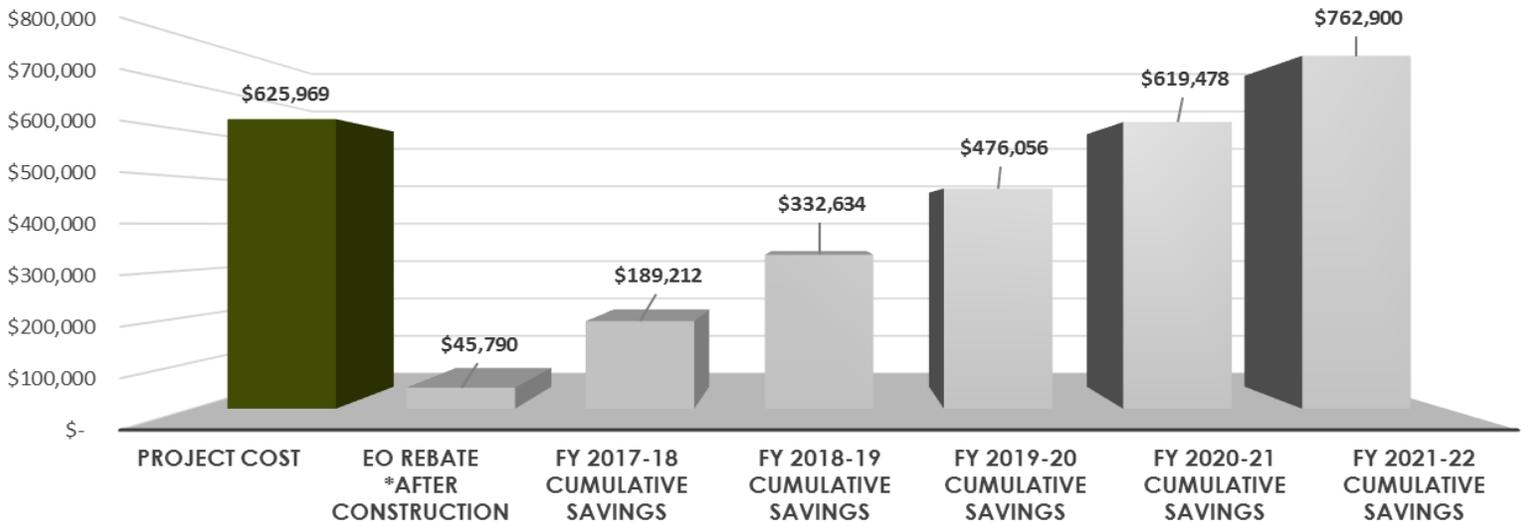
GENERAL FUND BALANCE

The City maintains a reserve known as the general fund balance or a "rainy day fund" to protect the City from unforeseen costs or hardships. Per City policy it is a requirement that we keep a general fund balance equal to at least 8.3% of expenditures. The City is projected to maintain its general fund balance for the next three years.

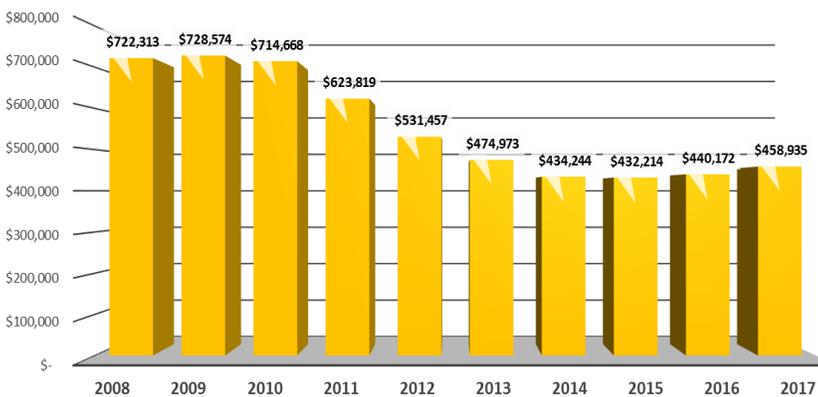


In an effort to save a significant amount of money and employ a more sustainable lighting solution, the City is converting its 1,555 streetlights to LED light fixtures. Although the up-front cost of the conversion is \$625,969, the City will see a return on its investment in less than five years due to an annual cost savings of approximately \$150,000.

LED STREETLIGHT CONVERSION CUMULATIVE SAVINGS



Revenue from One Mil



OVERCOMING CHALLENGES

Over half the City's revenue comes in the form of property taxes. That amount has decreased steadily since the Great Recession. (Total taxable value for the City decreased by 38% since 2008). Due to Headlee and Proposal A, the City is limited in the amount of property tax revenue it can collect. Even as property values rise, the taxable value of a property is restricted to the rate of inflation or 5%, whichever is less (this year inflation was .9%).



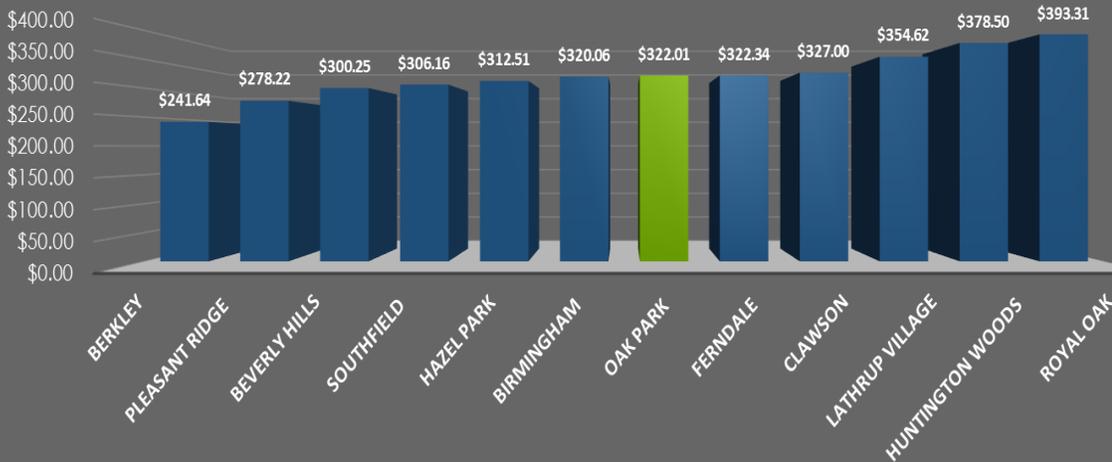
MAINTAIN INFRASTRUCTURE

The City has a well-thought-out and calculated plan for reinvestment in our assets to ensure that taxpayers' money is being spent in the most efficient way possible. In an effort to do so, and also provide exceptional public facilities, infrastructure, and overall public services, this budget includes consistent and strategic reinvestments in our equipment and infrastructure.

WATER & SEWER RATES

Due to the consistent increase in water and sewer costs, combined with the necessary maintenance of our water and sewer infrastructure, the City must increase water rates for the next three years. In order to ensure that we are charging the correct rates, the City hired a consultant to conduct a water and sewer rate study. Although the results of that study recommended a 7% blended rate increase for the next four years, the City has decided to only pass on a 6%, 4.5%, and 7%, blended rate increase for Fiscal Years 2017-18, 2018-19, and 2019-20, respectively. The less than recommended rate increases will still allow the City to fund necessary capital improvements to our infrastructure, while preserving a fund balance to safeguard the City against unforeseen circumstances.

Comparison of SE Oakland County 2016 Water & Sewer rates:
Avg. Cost based on 3,000 cu.ft./quarter



DID YOU KNOW?

Oak Park's water rates are lower than many of our surrounding communities. We realize the cost of water can be burdensome on residents, and we do everything we can to keep costs low while still maintaining our infrastructure.

ROAD PROJECTS

There are over \$1.8 million in road projects planned for Fiscal Year 2017-18 alone. This includes the continued reconstruction of Granzon Street, the annual miscellaneous concrete repair and replacement program, the 9 Mile Road redesign and the Coolidge bridge improvements. Financing comes from the Major or Local Street funds, which are provided by the State to the City as our share of gas and weight taxes.

WATER & SEWER PROJECTS

The City has a strategic program of reinvestment in our water and sewer infrastructure. This budget includes \$500,000 for annual sewer lining and repairs, and \$810,000 in various water infrastructure maintenance items. These maintenance items include a water main replacement on Kenosha, a remote water meter replacement, and the private water assistance program.





MAINTAIN INFRASTRUCTURE

BRIDGE UPGRADE

This budget includes \$350,000 for a branded facelift to the Coolidge Rd. bridge over I-696. The current chain link fence will be replaced with decorative fencing, pedestrian scaled lighting, and ornamental signage. These improvements will enhance the pedestrian experience and will ensure that Oak Park is easily identifiable to the thousands of people who travel that span of I-696 every day. The new bridge will act as an iconic symbol as visitors and residents enter our City.



This year's budget includes \$200,000 for the repair and repainting of the elevated water tank located on 11 Mile Rd. Although the painting of the water tank is a typical maintenance expense incurred by the City, we are capitalizing on it as an opportunity to further expand our branding efforts by displaying the City's name as well as aspects of the City seal.



9 MILE REDESIGN

Through community input, a comprehensive traffic study, and research done by the Congress for New Urbanism, we discovered that 9 Mile Rd. can better serve our residents if it is redesigned to incorporate all modes of transportation. The City has worked with a planning and engineering firm to develop a vision of a better 9 Mile Road. In Phase One, Oak Park partnered with the City of Ferndale, and was awarded a grant for \$983,862 to reduce the amount of lanes from 4 or 5 to 3, providing space for bike lanes, and additional on-street parking. Included in this budget are funds to use as matching grant funds. Over the next few years, through several phases, the City intends to redesign 9 Mile Rd. into a vibrant commercial corridor, that offers exciting public spaces for residents and visitors to enjoy.



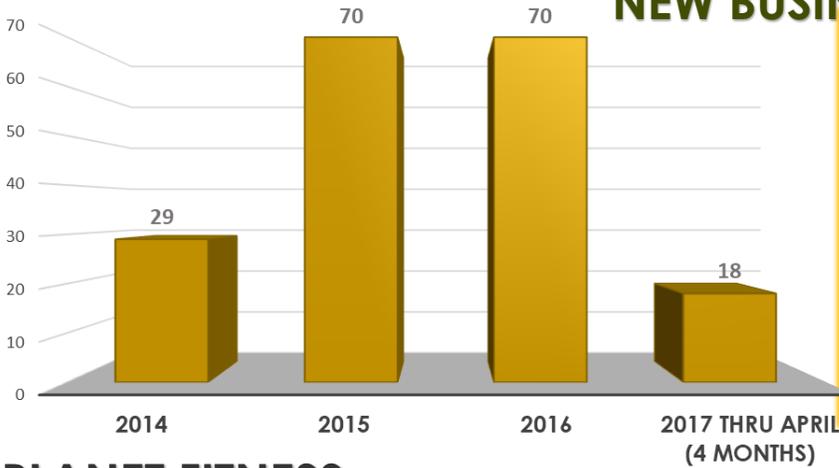
A rendering (left) of one of the proposed new public spaces included in the 9 Mile plan. Sherman Street has been identified as an ideal spot for a pocket park by reimagining part of the existing street space as a public gathering spot that offers amenities for both children and adults.



INCREASE NEW BUSINESS PRESENCE

Our economic development initiatives continue to pay dividends, as we are seeing a consistent annual increase in the number of new businesses. From the opening of Planet Fitness on 10 mile and Coolidge, to a 300,000 square foot FedEx distribution facility on the long-vacant Armory site, our long term economic development strategy has been successful in steadily growing our tax base. The initiatives are vitally important to Oak Park's future as they are building a solid foundation that will sustain our community for years to come.

NEW BUSINESSES



In 2016, the number of new businesses remained at more than double 2014 numbers. We believe this trend will continue in 2017 as we have already seen 18 new businesses, or 26% of the new businesses last year, in only the first four months of the calendar year.

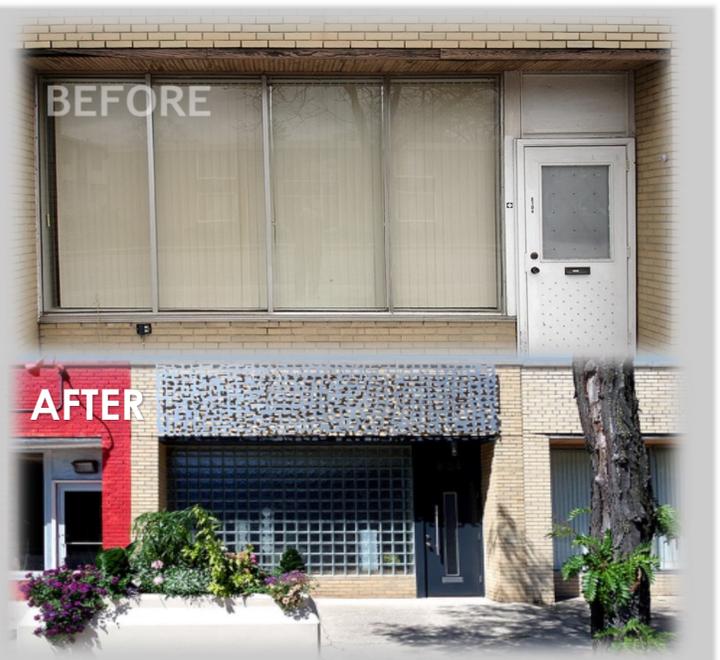
PLANET FITNESS

In August of 2016, the City welcomed Planet Fitness. The 30,000 square foot facility is the company's largest in the metropolitan Detroit area. A long-time vacant structure in Oak Park's Park View plaza, it is now a tax producing amenity for residents to enjoy.



FAÇADE IMPROVEMENT

In a fully built-out community like Oak Park, it is apparent that one of our main objectives is the refurbishment and redevelopment of existing structures. Over the years many buildings have been neglected and have succumbed to blight in the commercial and industrial districts. To address this, the City has created a commercial façade improvement program, which provides a 50% grant match up to \$2,500 for façade improvements. The program has been successful in assisting several Oak Park businesses in rehabilitating their facades. Ultimately, increasing property values and attracting even more new businesses to the City.





INCREASE RESIDENT ENGAGEMENT

The City is dedicated to informing, educating, entertaining, encouraging, supporting, and engaging community members through various means of communication, interaction, and participation.

LIBRARY

The Library continues to expand its programming based on the requests of patrons to ensure there is something for all ages and interests. In this year's budget new programming will include Generation Makerspace programs, STEAM (science, technology, engineering, arts and math), art appreciation, and adult coloring. The Library also invites local experts to share their knowledge and has become a gathering space for people with similar interests. In addition, Library hours have been expanded. Hours are now Monday-Thursday, 10 a.m. - 8 p.m., Friday, 10 a.m. - 6 p.m. and Sunday, 1 p.m. - 5 p.m.

LIBRARY IN NUMBERS 2016



**Circulated
98,157 items**



**Served over
27,434 computer
and wireless users**



**244 Programs with
attendance of
7,601**



**Enjoyed 131,352
annual visits**

COMMUNITY ENGAGEMENT

Oak Park prides itself on our steadfast efforts to inform and engage with all of our residents. The Community Engagement and Public Information Department (CEPI) is leading this charge. Continuously seeking the most effective ways to communicate with all residents, CEPI strives to offer various means of communication, interaction, and participation.

STAY INFORMED

CALENDAR

In December of every year, the City distributes a City Calendar to every resident and business within Oak Park. The calendar contains important events and additional information residents may find helpful.

eBLASTS

eBlasts allow the City to communicate to residents in real-time on pressing issues and emergent conditions. To sign up to receive eBlasts, send an email to ContactUs@oakparkmi.gov requesting to be added.

City Magazine

In an effort to provide residents with more robust and informative content on a regular basis the City transitioned from a bi-monthly newsletters to a quarterly magazine. It also replaces the Senior Odyssey as the City's Recreation program guide. Distributed to every household and business in the City, the magazine contains valuable information about City initiatives, services and events.

Social Media

The City of Oak Park is active on several social media platforms to provide community members with a way to receive up-to-the-minute news and announcements on our most pressing City developments. Please follow us on Facebook, Twitter, LinkedIn, Ustream, and YouTube - @CityofOakPark.

RECREATION

The Recreation Department offers something for Oak Park residents of all ages. From yoga and softball to putt-putt and swimming, there is a program or activity for everyone to enjoy! It is the department's mission to enrich the quality of life for our diverse community while establishing a high standard of excellence in our programs, activities, parks and services.

PARK PAVILLIONS

In an effort to continually invest in our facilities this year's budget includes \$50,000 for pavilion painting and repair.



PROGRAM EXPANSION

This past year we saw a reenergized Recreation Department. With the addition of adult softball, increased participation in our youth sports teams, increased field rentals, increased sponsorships, and even more events the department is dedicated to finding new ways to engage residents while increasing revenue.



ENHANCE QUALITY OF LIFE

The City's Department of Technical and Planning and Department of Public Works are working year round to enhance the quality of life for Oak Park residents by both preserving and enhancing the attributes that make Oak Pak beautiful.

TECHNICAL & PLANNING DEPARTMENT

The Technical & Planning Department is compromised of three divisions: Building Division, Code Enforcement, and Engineering. The Department focuses and prides itself on maintaining the character, appearance, and physical standards of Oak Park.



CODE VIOLATIONS

Have you ever wondered if you or your neighbor is in violation of a City Ordinance? You can easily view all of the City's Ordinances via the City website (through the "Government" tab), where you can search ordinances by keyword. You may also call our Technical and Planning Department at (248) 691-7450.

T&P IN NUMBERS 2016



DEPARTMENT OF PUBLIC WORKS

The Department of Public Works (DPW) is on the job for Oak Park residents every day, yet most are only aware of a small fraction of what they do to enhance the quality of life for the residents of Oak Park. The DPW has five divisions: streets, water supply, parks and forestry, motor pool, and facilities maintenance.

ENERGY EFFICIENT COST SAVINGS

The Department of Public Works has made numerous energy efficiency upgrades in recent years. In spring of 2009, a waste oil burning furnace was installed when the old heating unit failed. Utilizing waste oil that the City used to pay to dispose of, the furnaces replace the use of natural gas. Also, in 2009 skylights and a wood burning boiler, which uses wood from our forestry maintenance, were installed in the DPW garage. The skylights curb the need for lighting during the day and the wood burning boiler, along with the waste oil burning furnace heat the building. All of these efforts save the City approximately \$30,000 annually on natural gas and \$25,000 annually on electricity.



For the second year in a row the City has planted sunflowers in various locations around the City. The Department of Public Works has been busy planting and watering the over 15,000 flowers that brighten up Oak Park all summer. As sunflowers represent both hope and happiness, we anticipate they will bring all these things plus a pop of color to the City of Oak Park.

DECREASE CRIME

One of City Council's main objectives is to decrease crime. While many of the initiatives put forth by various City departments aid in working towards that goal, the Public Safety Department is spearheading these efforts.

PUBLIC SAFETY DEPARTMENT

Public Safety is one of the most important services the City provides the residents of Oak Park. Unfortunately, when the City began to feel the effects of the Great Recession, cutbacks were made in the Public Safety Department, including officer layoffs. As the City's financial position has stabilized, the City is committed to fully funding Public Safety and responsibly hiring back officers.

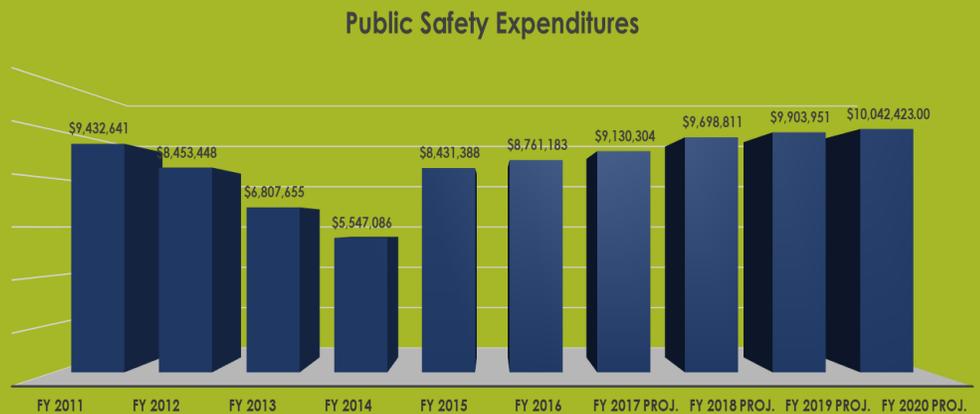


PA 345 & LEGACY COSTS

Legacy costs, like retiree pensions and health care are one of the most challenging financial obligations cities tackle. Fortunately, Oak Park residents realize this and passed PA 345 in November 2012 to provide additional revenues to be used towards Public Safety Employees' legacy costs. This millage provided \$2,986,014 to the City in FY 2015-16, and \$3,041,782 in FY 2016-17. The absence of this millage would result in the City having to cut costs in other service areas in order to fund these growing legacy costs.

PUBLIC SAFETY INVESTMENTS

The three year budget includes one new public safety officer each year through FY 2019-20, continuing our trend of bringing our Public Safety Department's staff numbers to pre-2013 levels. Additionally, it includes two new public safety marked SUVs and one unmarked vehicle in FY 2017-18, followed by one unmarked vehicle and one marked public safety SUV each of the following years through FY 2019-20. The budget also includes an additional \$8,300 a year to fund the City's new K-9 Unit.



INCREASE RESIDENT ENGAGEMENT

OPERATION ICE CREAM TRUCK

This summer Oak Park Public Safety unveiled the newest addition to the fleet: an ice cream truck! In our continued efforts to engage and connect with Oak Park community members, we have introduced the new Oak Park Public Safety Ice Cream Truck. With it the Public Safety Department will drive around the community every week delivering ice cream to Oak Park residents. This new initiative gives Public Safety the opportunity to interact with community members in a fun and positive manner, at nearly no additional cost to the City thanks to our local donors, including Prairie Farms who is providing 300 ice cream sandwiches a week.



CITY COUNCIL

Marian McClellan, Mayor
Carolyn Burns, Mayor Pro Tem
Kiesha Speech, Council Member
Solomon Radner, Council Member
Ken Rich, Council Member

CITY ADMINISTRATION

Erik Tungate, City Manager
Kevin Yee, Assistant City Manager



COMMUNITY, CULTURE, AND COMMERCE