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From: David Powers
Communications Director
708.358.5781

Contact: Tom Barwin
Village Manager
708.358.5770

Municipal employees to be asked to help overcome revenue shortfall

Oak Park's municipal employees will be asked to take an active role in helping the Village work through the downturn in the economy, as key revenues continue to decline due primarily to the larger, national situation.

With revenues running nearly \$1.4 million behind projections for the current year, Village Manager Tom Barwin said he will be meeting with employees next week to lay out the situation and ask for their ideas and help.

Barwin said he also will be talking with the Village's partner agencies, including the Oak Park Regional Housing Center, Oak Park Development Corporation, Oak Park Area Tourism & Visitors Bureau and Oak Park Area Arts Council, as well as other taxing bodies, to make sure they understand the budget challenge the Village now is facing.

"Municipal governments always try to build and maintain a fund balance to deal with emergencies or economic events such as we are facing now," Barwin said. "With sufficient reserves, government operations may face only belt-tightening. But with costs related to the public parking garages having exhausted our reserves over the past decade, we now are going to have to do some major surgery to maintain vital public services."

A decline in real estate transfer tax collections represents nearly 60 percent of the revenue shortfall, according to a mid-year report presented to the Village Board last week. The Village's share of the state income tax also is down about 33 percent from projections, according to the report. Declines in these particular two sources of revenue, Barwin said, are clear indications that the nation's economic crisis is having a major impact on Oak Park.

The current Village budget was crafted with major expenditure reductions in a range of programs. And to date, spending is running about \$2.3 million below projections, as managers cognizant of the economic times have worked to limit spending. But even with the cost-cutting measures enacted in the budget and continued efforts to keep spending down, Barwin said more will have to be done and employees will have to be willing to play key roles.

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Municipal employees

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"Costs associated with employees are by far the single largest category of expenditures for any organization, whether public or private," Barwin said. "That's because employees are what make programs and services possible. Unfortunately, at this point we have few other places to go to reduce costs."

The Village's approximately 450 employees represent nearly 80 percent of the municipal budget, a ratio that is common in most municipalities and larger private companies. In Oak Park, nearly 75 percent of municipal employees are members of one of 10 collective bargaining units.

Barwin declined to provide details on any specific steps he may ask employees to consider to help ease the budget crisis. He said he wants to meet with employees, both union and non-union, to discuss the situation before any public statements or new plans are made.

"These are challenging times. But we have weathered tough times before," he said. "The key will be for everyone to roll up their sleeves and work collaboratively over the next couple of years as the economic situation stabilizes and improves."

The mid-year financial report presentation to the Village board is posted at www.oak-park.us/finance.

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