



**To:** Honorable President and Board of Trustees  
Finance Committee

**From:** David A. Hulseberg, Village Manager *DAH*

**Date:** January 29, 2009

**Subject:** **Fiscal Year 2009-2010 Preliminary Operating Budget**

Transmitted herewith is preliminary budget information regarding the Village of Lombard Annual Operating Budget for FY 2009-2010. This material has been prepared for the budget workshop scheduled for February 3, 2009.

### **GENERAL FUND**

#### **Restricted, Designated, and Unrestricted Accounts Based on GASB 34**

In accordance with Governmental Accounting Standards Board (GASB) Statement #34, the General Fund contains revenues and expenditures for accounts that are restricted in their use by state statute. Those include the following accounts: Special Service Area #3, Donations, Seizure, Foreign Fire Insurance, Hotel/Motel Tax, IMRF/Social Security, Recycling, Grants, Business District #1, DUI User Fee, and Liability Insurance.

In addition, the General Fund contains two accounts, the Technology Reserve account and the Utility Tax Reserve account, that are considered to be unrestricted but designated.

Lastly, the General Fund includes the Corporate account consisting of all other revenues and expenditures. That account is considered unrestricted.

#### **Utility Tax Reserve**

Pursuant to State law, Non-Home Rule Sales Tax may only be used for property tax relief or infrastructure improvements. The Village's commitment at the time of the 2006 referendum was to use it for the latter. As a result of utilizing Non-Home Rule Sales Tax for infrastructure purposes, the Village is in a position to re-allocate a portion of Utility Tax revenue previously used for capital improvements toward meeting future operating

needs. In order to monitor future utilization of the Utility Tax, the FY 2007-2008 budget introduced a designated Utility Tax Reserve in the General Fund to account for utility tax revenue as it is designated for capital or operating purposes in a given fiscal year. The Utility Tax Reserve balance will be updated each year during the annual budget process based upon expenditure decisions made in previous fiscal years.

A multi-year forecast for the Utility Tax Reserve is reflected in **Attachment I-1**. As noted in Attachment I-1, in order to maintain a 25% fund balance in the General Fund, \$1,253,000 of the Utility Tax Reserve was needed in FY 2008-2009. Back in October 2008, the Board approved allocating \$631,000 of Utility Tax Reserve to the General Fund. An additional \$622,000 is the current projection that would need to be allocated to maintain a 25% General Fund balance. The FY 2009-2010 budget proposes that \$2,147,510 of utility tax dollars be used for capital improvements, and that \$2,813,000 be used to preserve a 25% General Fund balance as outlined in the Village's Financial Policies. The amount allocated to the General Fund is the same amount that was projected last year to be used for FY 2009-2010. A Utility Tax Reserve balance of \$3,211,376 is projected for the end of FY 2009-2010.

#### **FY 2008-2009 General Fund Expenditures and Revenues**

Total (restricted, unrestricted, and designated) FY 2008-2009 General Fund estimated actual expenditures are projected to be \$39,588,440, or \$1,735,340 (4.58%) over the FY 2008-2009 amended budget of \$37,853,100. When restricted and designated accounts are removed, the corporate (unrestricted) FY 2008-2009 General Fund expenditure estimates are projected to be \$31,621,730, or \$311,410 (0.99%) over the FY 2008-2009 amended budget of \$31,310,320. Included in the increase between budgeted and estimated expenditures is \$750,000 for the Hammerschmidt property; and \$25,250 for additional overtime for storm cleanup in the Public Works Department.

Total FY 2008-2009 General Fund revenues are projected to be \$37,244,970 or \$988,973 (-2.59%) less than the budgeted revenue of \$38,233,943. FY 2008-2009 corporate (unrestricted) General Fund revenues are projected to be \$30,572,870 or \$631,090 (-2.02%) less than the budgeted revenue of \$31,203,960. Among the reasons for the decrease in budgeted revenue are decreases in Sales Tax (-\$1,500,000), Places for Eating Tax (-\$335,990), Utility Taxes (-\$154,890), Building Permit and Plan Review fees (-\$98,570), Ambulance Billing fees (-\$58,920), and Interest Income (-\$64,460).

#### **FY 2009-2010 General Fund Expenditures and Revenues**

Total FY 2009-2010 General Fund expenditures are proposed at \$37,364,180 or \$488,920 (-1.29%) less than the FY 2008-2009 amended budget, and \$2,224,260 (-5.62%) less than FY 2008-2009 estimated actual expenditures. When restricted and designated accounts are removed, the corporate (unrestricted) General Fund expenditures for FY 2009-2010

are proposed at \$31,185,620. This represents a decrease of \$124,700 (-0.40%) compared with the current year's amended corporate budget and a decrease of \$436,110 (-1.38%) compared to FY 2008-2009 estimated actual expenditures. Reasons for the difference in expenditures between the FY 2008-2009 amended budget and the FY 2009-2010 proposed budget include an additional \$68,240 rebate of Business District Tax to Yorktown Center; a decrease in Training and Travel expenses by \$73,810; a decrease in the rebate of \$22,740 of Sales Tax, Places for Eating Tax, and Hotel/Motel Tax to the Lombard Public Facilities Corporation; a decrease in the transfer to the Technology Reserve by \$201,770; and a decrease in the contingency by \$78,450.

What follows is a list of several General Fund expenditure recommendations for FY 2009-2010. These recommendations are based, in part, on the priorities identified by the Board of Trustees from among the items discussed during the budget workshop process.

- ⇓ Continuation of the Senior Taxi Subsidy Program (\$60,000).
- ⇔ Maintain the Village's contribution to the DuPage Senior Citizens Council at \$30,000.
- ⇔ Continue to work with IT consultants (year 3) to meet the technology needs and demands of the Village's operations (\$298,460).
- ⇓ Partially fund the Technology Reserve at \$380,000. This became a priority during the budget process as there are likely two major purchases that the Village will need to consider in the near future, the replacement of our current iSeries server and the purchase of a records software program for the Police Department. The combined cost for these two purchases is anticipated to be in the area of \$500,000.
- ⇑ Provide the following technology enhancements and replacements: Multi-functional printer/plotter (\$10,000 from the Technology Reserve plus an additional \$11,000); and Wireless communications for Police laptops (\$25,200).
- ⇑ Purchase three (3) Verathon Ranger Video laryngoscopes (\$29,100).
- ⇓ Include a contingency amount of \$548,250.
- ⇓ Fund repairs and improvements to various Village buildings: Village Hall (\$23,650); Police Building (\$20,500); Fire Buildings (\$30,700); Public Works Building (\$12,000).
- ⇔ Continuation of a Red Light Photo Enforcement Program at a cost of \$13,000. Expenses for the program are projected to be recovered from fine revenue.

↑ Fund a disaster drill (\$20,000).

↓ Purchase Emergency Vehicle Pre-Emption equipment (\$10,400).

↔ Continuation of the Rain Barrel Grant Program through the Village's Recycling Program (\$5,000).

Corporate General Fund expenditure changes by department are as follows: Legislative: decrease of \$8,190 (-2.48%); Executive: decrease of \$24,370 (-2.04%); Finance: decrease of \$58,070 (-3.45%); Police: increase of \$93,640 (0.82%); Fire: decrease of \$110,590 (-1.07%); Community Development: decrease of \$96,420 (-10.56%); and Public Works: decrease of \$22,100 (-0.65%).

Total FY 2009-2010 General Fund revenues are projected to be \$38,164,580 or \$69,363 (-0.18%) less than the FY 2008-2009 amended budget, and \$919,610 (2.47%) over estimated actual revenue. Corporate FY 2009-2010 revenue is projected at \$31,208,950. This represents an increase of \$4,990 (0.02%) over FY 2008-2009 budgeted revenue and an increase of \$636,080 (2.08%) compared with FY 2008-2009 estimated actual revenue. Among the reasons for the changes in budgeted revenue between the FY 2008-2009 amended budget and the FY 2009-2010 proposed budget are increases in Utility Tax (\$1,060,000) allocated from the Utility Tax Reserve, Circuit Court Fines (\$84,240), and Parking Fines (\$48,680); and decreases in Sales Tax (-\$1,350,000), State Income Tax (-\$62,100), Places for Eating Tax (-\$335,990), Building Permit and Plan Review fees (-\$168,680), and Interest Income (-\$190,640).

A budgeted surplus of \$23,330 is proposed in order to establish the corporate General Fund balance at 25% of expenditures as provided for in the Village's financial policy.

**Attachment II-1** is the multi-year forecast for the General Fund. **Attachment II-2** provides information on a number of departmental budget requests that are proposed to be included in the FY 2009-2010 budget or have been excluded from the document.

## **WATER AND SEWER FUND**

### ***FY 2009-2010 Water and Sewer Fund Revenue and Expenditures***

**Attachment III-1, III-2, III-3 and III-4** are four different multi-year forecasts for the Water and Sewer Fund. Attachment III-1 is the forecast with no rate increases included and none of the DuPage Water Commission (DWC) rebate being allocated. Attachments III-2, III-3 and III-4 are three different versions of the forecast using different rate increase assumptions and allocating different amounts of the DWC rebate. The amounts used below for the proposed FY 2009-2010 budget are from Attachment III-2, as these are the

rate increase and DWC rebate amount that are being proposed. Additional comparison of these forecasts is included at the end of the Water and Sewer Fund section.

**Attachment III-5** provides information on a number of departmental budget requests that are proposed to be included in the FY 2009-2010 budget or have been excluded from the document. **Attachment III-6** is a water and sewer rate comparison with other municipalities that are part of the DuPage Water Commission.

Expenditures for water and sewer operations are projected at \$12,623,750 for FY 2009-2010. This represents an increase of \$578,660 (4.80%) compared with the FY 2008-2009 amended budget, and an increase of \$807,260 (6.83%) compared with estimated actual expenditures.

What follows are several items of note regarding proposed expenditures:

- ⤴ An increase of \$450,790 (25.02%) in the cost of purchasing Lake Michigan Water due to a projected increase in the rate charged by the DuPage Water Commission from \$1.24 per 1,000 gallons to \$1.47 effective May 1, 2009, and then an additional increase to \$1.72 effective May 1, 2010. These increases are the result of the higher charges for water from the City of Chicago.
- ⤴ A total estimated payment of \$3,154,290 to the Glenbard Wastewater Authority (GWA). This is an increase of \$62,550 (2.02%) compared with the FY 2008-2009 budget. The current estimate is preliminary, as GWA's budget has not been finalized. Any changes to the GWA budget may impact the overall proposed rate increase by one or two cents.
- ↔ Third year funding for a cross-connection control program as required by federal law to ensure that non-potable water in buildings and irrigation systems does not backflow into Lombard's potable water system (\$63,600) However, approximately 60% of this cost will be offset by revenue.
- ⤴ An increase of \$60,000 (40.00%) in the cost of electricity.
- ⤴ An increase of \$60,210 (26.50%) for IMRF pension costs.
- ⤵ A cost of \$90,000 for the large meter testing program. Small meter testing will not be done in FY 2009-2010 as meter replacement is scheduled in the CIP to begin in FY 2010-2011.
- ↔ Funding for a grease control program (\$22,200).
- ⤵ A contingency amount of \$62,670.

Revenue for FY 2009-2010 is based upon selling 1.313 billion gallons of water and the billing of 1.250 billion gallons of sewage. These amounts are down significantly from the FY 2008-2009 budgeted amounts of 1.372 billion gallons for water and 1.312 billion gallons for sewer. Revenue is estimated at \$12,604,930. This represents an increase of \$883,795 (7.54%) compared with the current fiscal year's estimated actual revenue of \$11,721,135, and an increase of \$592,795 (4.93%) compared with the current year's budgeted revenue of \$12,012,135.

### **Water and Sewer Rate**

In FY 2007-2008, \$188,160 of the \$2.22 million rebate from the DuPage Water Commission was used to fully offset an increase in both the water service charge and the water and sewer rate for operations. In addition, \$324,765 of the rebate was used in FY 2008-2009 to partially offset the water and sewer rate for operations. It is proposed that \$630,000 of the remaining rebate be used to partially offset the rate increase for FY 2009-2010. An increase from \$6.70 to \$7.00, or 4.48%, is proposed for the bi-monthly water service charge. A water and sewer rate increase of \$0.60 for operations and maintenance is also proposed. Finally, as committed to in the non-home rules sales tax referendum, there is no increase in the capital rate. If approved, the water and sewer rate for operations would increase from \$6.81 to \$7.41 per 1,000 gallons, while the capital rate would remain unchanged at \$1.20. When combined, the total water and sewer rate for operating and capital purposes would increase by 7.49% from \$8.01 to \$8.61.

The proposed water service charge and rate increase for operations and maintenance would increase the cost to the average residential customer using 8,000 gallons bi-monthly by \$30.60 annually, or \$5.10 bi-monthly.

The proposed budget projects a Water and Sewer Fund balance for operations and maintenance at the end of FY 2008-2009 of \$3,160,937, which results in a year end balance as a percentage of total expenditures of 25.0%.

### **Options**

As previously discussed, these proposed rate increases and allocation of the DWC rebate are from Attachment III-2. This option is the proposed option used in the comparisons above as it presents the most level rate of increases in future years and spreads the allocation of the DWC rebate out over four years.

Attachment III-3 illustrates the future impact on rates if the Board selects a lower rate increase (6.24%) in FY 2009-2010, and an increased allocation of the DWC rebate (\$750,000). However, under this option, rates will increase more significantly in future years and the DWC rebate will be used within 3 years.

Attachment III-4 illustrates the future impact on rates if the Board selects a higher rate increase (9.49%) in FY 2009-2010, and a decreased allocation of the DWC rebate (\$425,000). Compared to the proposed option, this method has a much higher rate increase up front, however it does allow the DWC rebate to be spread out over five years with smaller rate increases in future years.

### HOTEL/MOTEL TAX

Attached are a Financial Forecast with conference center revenue and rebate removed (**Attachment IV-1**), and a Historical Budget Analysis (**Attachment IV-2**) regarding proposed Hotel/Motel Tax revenue and expenditures for FY 2009-2010. The Community Promotion and Tourism Committee reviewed proposed Hotel/Motel Tax revenues and expenditures on January 22<sup>nd</sup>. This section reflects the Committee's recommendation from that meeting.

Revenue for FY 2009-2010 is projected at \$2,041,130, an increase of \$134,120 (7.03%) over the current year's projected revenue, and a decrease of \$183,020 (-8.23%) over FY 2008-2009 budgeted revenue. Included as part of FY 2009-2010 projected revenue is \$827,510 in Hotel/Motel Tax from the Westin Lombard Yorktown Center. That tax revenue will be paid to the Village and thereafter rebated back to the Lombard Public Facilities Corporation as part of a Tax Rebate Agreement. When the Hotel/Motel Tax from the Westin is excluded (**Attachment IV-1**), projected revenue for FY 2009-2010 is \$1,213,620, which represents no change (0.00%) from the current year's projected revenue and a decrease of \$212,480 (-14.90%) over FY 2008-2009 budgeted revenue.

Expenditures for FY 2009-2010 are proposed at \$2,241,090, an increase of \$32,490 (1.47%) when compared with FY 2008-2009 budgeted expenditures and an increase of \$178,500 (8.65%) when compared with FY 2008-2009 estimated expenditures. However, when the Hotel/Motel Tax rebate to the Westin is excluded, proposed expenditures for FY 2009-2010 are \$1,413,580, an increase of \$3,030 (0.21%) when compared with FY 2008-2009 budgeted expenditures and an increase of \$44,370 (3.24%) over FY 2008-2009 estimated expenditures.

When the Westin Conference Center revenue and rebate are removed, the proposed revenue and expenditure levels will result in a decrease in the fund balance from \$602,718, or 47.55% of expenditures, at the end of FY 2008-2009 to \$402,758 at the end of FY 2009-2010, or 30.88% of budgeted expenditures.

What follows are items that are proposed to be funded with Hotel/Motel Tax revenue:

- ⇒ A total of \$76,720 for the Lilac Parade and related activities, same as in FYE 2009. Included is a \$30,000 grant to the Lilac Parade Committee, \$5,000 grant for the Lilac

- Queen and Court Scholarships, and a \$12,000 grant to the Lombard Park District for Lilac Time advertising.
- ↑ A total of \$111,190 for the Taste of Lombard, an increase of \$10,020 over FYE 2009. Included is a \$35,000 grant to the Lombard Jaycees. Please note that the FYE 2009 budgeted grant was approved at \$25,000. However, \$35,000 was awarded in FYE 2009 and is proposed for FYE 2010.
  - ↑ A total of \$44,220 for costs associated with Cruise Nights compared with \$41,220 in FYE 2009. This represents an increase of \$3,000 (7.28%).
  - ↓ Consultant and other costs (\$44,360) associated with the Village's web site, a decrease of \$22,850 (-34.00%) from FYE 2009. Included in the proposed cost is \$18,050 for maintenance of streaming video of Village meetings to the web site.
  - ↔ \$30,000 for the third year of a five-year program to replace the Village's banners and flags.
  - ↓ Funding of the transfer to the General Fund at \$102,000, a decrease of \$9,180 from FYE 2009. The transfer to the General Fund is based upon projected hotel/motel tax revenue for FYE 2010.
  - ↑ An increase in funding for the printing of the Lombard Pride of \$7,570 (35.71%) from \$21,200 in FYE 2009 to \$28,770 in FYE 2010.
  - ↔ Continuation of the Lilac Bush Program at the same level of \$6,000.
  - ↓ A decrease in funding for tree planting from \$70,000 to \$55,000 (-21.43%).
  - ↔ Continuation of contract tree trimming at the same level of \$65,000 and tree and stump removal at \$25,000.
  - ↔ Continuation of funding for additional beautification along Village rights-of-way at \$50,000.
  - ↑ Implementation of a Circulator Grant at \$150,000. The Circulator Program will provide bus rides throughout the Village for a small fee. More information is provided in a separate memo.
  - ↑ Implementation of a Park District Grant for the Aquatic Center at \$13,000.
  - ↓ Discontinuation of the Hotel Cooperative Grant Program. The Hotel Cooperative Grant Program has been based on 5% of Hotel/Motel Tax revenue generated by each hotel in the previous fiscal year. This program was budgeted at \$69,200 in FYE 2009.
  - ↓ Dues payment to the DuPage Convention and Visitors Bureau of \$81,600, a decrease of \$7,340 (8.25%) from FYE 2009. The dues payment is based upon projected hotel/motel tax revenue for FYE 2010.
  - ↔ \$7,000 for other grants including the Chamber of Commerce Business Expo (\$4,000) and funding of miscellaneous grant requests (\$3,000).
  - ↓ \$122,960 for the Historical Museum and Peck House, a decrease of \$6,180 (-4.79%) from the FYE 2009 budget of \$129,140.
  - ↓ \$22,500 for repairs, improvements and maintenance of the Main Street Cemetery. A decrease of \$61,500 from the FYE 2009 budget of \$84,000. The majority of initial repairs and improvements needed were undertaken in FYE 2009.
  - ↔ Continued funding of the Police Holiday Patrol (BAMPP) at \$15,000.



⇔ Continued funding of the Elmhurst Symphony Orchestra Concert Series grant at \$20,000.

The Community Promotions & Tourism Committee reviewed the proposed Hotel/Motel Tax budget at their January 21, 2009 meeting, and the Committee voted unanimously to support the proposed budget.

### Other Issues

There are several other issues related to the FY 2009-2010 budget and future years that are presented below:

- Staff continues to work with Library staff on an agreement to limit the Village's future costs for Library IMRF and FICA. A draft agreement has been forwarded to the Library for their review. Currently, the cost of the Library's IMRF and FICA is not included in the FY 2009-2010 budget. These costs will be added to the budget at the point when we have an approved agreement from the Library.
- Several vehicle purchases that were scheduled for FY 2009-2010 have been postponed until FY 2010-2011. These changes impacted both the General Fund and the Water and Sewer Fund.
- All out-of-state travel has been eliminated from the FY 2009-2010 budget.
- Currently in FY 2008-2009, there are four frozen police officer and firefighter positions - a lieutenant and police officer in the Police Department and a battalion chief and firefighter in the Fire Department. With concurrence of both the Police Chief and the Fire Chief, the proposed budget recommends filling the lieutenant position in Police and the firefighter position in Fire. As indicated in Attachment II-2, there will remain two frozen public safety positions in the FY 2009-2010 budget, a police officer and a fire battalion chief.
- The current proposed budget anticipates no decrease in the local share of state-collected revenues, such as income tax. However, it is estimated that the state has a budget deficit of \$4 to \$5 billion for the current fiscal year, and it likely will be worse for the next fiscal year. Therefore, it is always a possibility that the state could attempt to reduce the amount of revenue that is distributed to municipalities to balance their own budget.
- There are concerns about future DuComm costs for two reasons. First, DuComm is considering a change to the funding formula which may lead to higher costs for Lombard. Second, DuComm's proposed FY 2009-2010 budget includes adding 10 new positions. The increase in cost for Lombard is minimal in FY 2009-2010, as DuComm is transferring money in from other funds to cover this cost. However, since these are one-time transfers, there is concern about paying for these additional personnel expenses in future years.
- There are two issues regarding Glenbard Wastewater Authority that staff is working with Glen Ellyn to resolve. First, Glen Ellyn has been charging GWA a non-resident

rate for water, which is 1.5 times the resident rate. This was discussed with Glen Ellyn staff, and they will be discussing with their Board a change to charge the resident rate. Second, as the lead agency for GWA, Glen Ellyn has been receiving an overhead fee from GWA that is supposed to cover their additional costs of administering the joint venture. However, the current formula in the intergovernmental agreement is vague, and the current overhead fee that is being charged appears to be excessive. Therefore, according to the agreement, we will keep the FY 2009-2010 overhead fee the same as it was in FY 2008-2009, while an amendment to the agreement is worked out between Glen Ellyn and Lombard.

- Due to the significant decline in the stock market over the past year, the Village is facing significant increases in pension costs. This will include IMRF, the police pension and the fire pension. Due to these projected increases, the corporate portion of the tax levy is currently projected to decrease over \$900,000 from \$1,357,438 in Tax Year 2008 (FY 2009-2010) to \$451,000 in Tax Year 2009 (FY 2010-2011). There has been discussion regarding legislation that would extend the timeframe that municipalities have to pay for unfunded liabilities in the pension funds. With an extended timeframe, Lombard would still face significant increases in pension costs, just not as significant (i.e. 15% to 20% as compared to 25% to 30%).
- To further complicate pension issues, on the last day of the 95<sup>th</sup> General Assembly, a firefighter pension enhancement was passed. This legislation, if signed by the governor, will allow a firefighter to purchase up to two years of service credit for military service. Since the legislature did not wait for the cost study that was already underway by the Commission on Governmental Forecasting and Accountability, we do not know at this point what financial impact this legislation will have.
- As previously discussed with the Village Board, as of May 31, 2008, the Village had four former police officers and firefighters receiving free health insurance under the Public Safety Employee Benefits Act (PSEBA). An additional police officer became eligible for these benefits in FY 2008-2009, bringing the total up to five. One additional disability application is pending with the Police Pension Fund.
- As discussed under the Water and Sewer Fund section, the increase in water costs from the DuPage Water Commission is the result of increases by the City of Chicago. Chicago has only outlined increases through FY 2010-2011. After that timeframe, the multiyear forecast assumes 3% inflationary increases in the cost of water each year. If Chicago comes back in FY 2011-2012 with higher rate increases, this will impact projections and rates for future years.

Staff will review the preliminary budget at the joint meeting of the Village Board and Finance Committee scheduled for February 3, 2009.

**UTILITY TAX RESERVE  
MULTI-YEAR FINANCIAL FORECAST**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Beginning Utility Tax Reserve Balance</b>	4,188,856	2,780,966	3,211,376	4,950,116	6,018,836	6,619,726	6,359,726	5,134,726	2,871,726	0	0
<b>Projected Annual Utility Tax</b>	5,285,220	5,390,920	5,498,740	5,608,720	5,720,890	5,835,310	5,952,020	6,071,060	6,192,490	6,316,350	6,442,690
<b>Less: 25% GF Balance Allocation</b>	1,753,000	2,813,000	3,160,000	3,940,000	5,020,000	5,735,310	5,852,020	5,971,060	6,092,490	6,216,350	6,342,690
<b>Less: Utility Tax Reserve Expense</b>	1,253,000	0	0	0	0	260,000	1,225,000	2,263,000	2,871,726	-	-
<b>Less: Capital Projects Fund</b>											
General Capital Projects	1,500,000	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Street Maint. & Improvements	2,187,110	1,647,510	500,000	500,000	-	-	-	-	-	-	-
<b>Utility Tax Reserve Balance</b>	2,780,966	3,211,376	4,950,116	6,018,836	6,619,726	6,359,726	5,134,726	2,871,726	0	0	0

**FUND 1010  
FUND BALANCE PROJECTIONS  
GENERAL FUND  
FIVE YEAR FINANCIAL FORECAST**

	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection	FYE 2015 Projection	FYE 2016 Projection	FYE 2017 Projection	FYE 2018 Projection
<b>BEGINNING FUND BALANCE</b>	<b>7,575,574</b>	<b>6,526,714</b>	<b>6,550,044</b>	<b>5,212,424</b>	<b>3,774,264</b>	<b>2,564,384</b>	<b>1,718,164</b>	<b>1,024,594</b>	<b>451,664</b>	<b>27,594</b>
<b>EXPENDITURES</b>										
PERSONAL SERVICES	20,600,650	20,875,440	21,921,530	23,058,570	24,296,890	25,648,220	27,125,880	28,745,020	30,522,830	32,478,940
COMMODITIES	1,089,890	1,016,780	1,047,290	1,078,710	1,111,080	1,144,420	1,178,760	1,214,130	1,250,530	1,288,040
CONTRACT SERVICES	4,412,810	4,305,100	4,442,620	4,584,680	4,731,430	4,883,040	5,039,680	5,201,530	5,368,760	5,541,560
OTHER EXPENSES	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560
CAPITAL OUTLAY	751,020	0	0	0	0	0	0	0	0	0
OTHER FINANCING USES	4,761,800	4,982,740	5,549,060	5,608,510	5,669,760	5,732,840	5,797,810	5,864,730	5,933,660	6,004,650
<b>TOTAL</b>	<b>31,621,730</b>	<b>31,185,620</b>	<b>32,966,060</b>	<b>34,336,030</b>	<b>35,814,720</b>	<b>37,414,080</b>	<b>39,147,690</b>	<b>41,030,970</b>	<b>43,081,340</b>	<b>45,318,750</b>
<b>REVENUES</b>										
TAXES	22,987,740	24,592,580	25,392,570	26,522,850	28,084,750	29,877,200	31,562,410	33,341,010	35,291,600	34,723,213
LICENSES & PERMITS	1,496,670	1,421,560	1,447,240	1,473,720	1,500,980	1,529,080	1,558,040	1,587,830	1,618,530	1,650,130
INTERGOVERNMENTAL REVENUES	64,820	70,390	73,710	77,200	80,860	84,700	88,730	92,970	97,420	102,080
CHARGES FOR SERVICES	2,965,490	2,997,410	3,033,130	3,179,070	3,335,130	3,502,360	3,681,910	3,875,110	4,083,490	4,308,740
FINES & FORFEITURES	826,280	826,280	850,890	876,240	902,350	929,240	956,940	985,460	1,014,850	1,045,120
MISCELLANEOUS REVENUES	415,440	285,480	362,590	297,330	226,060	167,230	124,600	90,620	62,690	42,230
OTHER FINANCING SOURCES	1,866,430	1,015,250	468,310	471,460	474,710	478,050	481,490	485,040	488,690	492,450
<b>TOTAL</b>	<b>30,572,870</b>	<b>31,208,950</b>	<b>31,628,440</b>	<b>32,897,870</b>	<b>34,604,840</b>	<b>36,567,860</b>	<b>38,454,120</b>	<b>40,458,040</b>	<b>42,657,270</b>	<b>42,363,973</b>
<b>PROJECTED SURPLUS/(DEFICIT)</b>	<b>-1,048,860</b>	<b>23,330</b>	<b>-1,337,620</b>	<b>-1,438,160</b>	<b>-1,209,880</b>	<b>-846,220</b>	<b>-693,570</b>	<b>-572,930</b>	<b>-424,070</b>	<b>-2,954,777</b>
<b>ENDING FUND BALANCE</b>	<b>6,526,714</b>	<b>6,550,044</b>	<b>5,212,424</b>	<b>3,774,264</b>	<b>2,564,384</b>	<b>1,718,164</b>	<b>1,024,594</b>	<b>451,664</b>	<b>27,594</b>	<b>-2,927,183</b>
<b>FUND BALANCE AS A PERCENTAGE OF TOTAL EXPENDITURES (EXCLUDING INTERFUND TRANSFERS)</b>										
	25.00%	25.00%	19.01%	13.14%	8.51%	5.42%	3.07%	1.28%	0.07%	-7.45%

**FYE 2010 PROPOSED BUDGET  
GENERAL FUND  
INCLUDED/EXCLUDED ITEMS**

Description	Department	Cost (Included)
<b>Items Included in General Fund Budget:</b>		
1 Legal Services	Executive	347,200
2 DuPage Senior Citizens Council Contribution	"	30,000
3 Part-Time Central Records Clerk (Salary & Benefits)	"	10,770
4 Parking Hearing Officer Program (Offset by Revenue)	Executive/Police	13,200
5 Contingency	General Services	548,250
6 Increases FYE 2009 to 2010 in Medicare, Social Security, & IMRF - Village	"	156,360
7 Increases FYE 2009 to 2010 in Health & Life Insurance, & COBRA	"	100,490
8 Repairs and Improvements to Village Hall	"	23,650
9 Village Hall Office Furniture	"	25,000
10 LPFC Tax Rebates (Offset by Revenue)	"	1,255,310
11 Business District Distribution to Yorktown (Offset by Revenue)	"	513,740
12 Transfer to Technology Reserve	"	380,000
13 Taxi Program Reimbursement	Finance	60,000
14 Computer Services - IT Consultants	"	298,460
15 iSeries annual maintenance	"	18,000
16 Vehicle Sticker Program	"	38,410
17 Repairs and Improvements to Police Buildings	Police	20,500
18 Wireless Communications for Police Laptops	"	25,200
19 Red Light Photo Enforcement (Offset by Revenue)	"	13,000
20 Repairs and Improvements to Fire Buildings	Fire	30,700
21 Disaster Drill (All Departments)	"	20,000
22 Verathon Ranger Video Laryngoscopes (3)	"	29,100
23 HP DesignJet T1100 Multi-functional printer/plotter (\$10,000 Tech Reserve)	Community Development	21,000
24 Hot Mix Asphalt for Street Maintenance	Public Works	67,500
25 Repairs and Improvements to Public Works Buildings	"	12,000
26 Painting of 25% of Traffic Signals	"	26,400
27 Emergency Vehicle Pre-Emption	"	10,400
28 Mosquito Abatement	"	102,750
29 Rain Barrel Grant Program (Recycling)	"	5,000
<b>Total</b>		<b>4,202,390</b>

Description	Department	Cost (Not Included)
<b>Items Not Included in General Fund Budget:</b>		
1 Medicare, Social Security, & IMRF - Library	General Services	325,770
2 Reduction to Taxi Subsidy Program	Finance	15,000
3 Document Management software - pilot program	"	20,000
4 Upgrade to Windows Vista Operating System (Tech Reserve)	"	18,000
5 Upgrade to Microsoft Office 2007 (Tech Reserve)	"	75,000
6 Police Officer (Salary and Benefits) - Frozen	Police	69,895
7 Police Officer (Salary and Benefits) - New request	"	69,895
8 Part-Time Police Front Desk Clerk (Salary & Benefits) - New request	"	29,345
9 Civilian Police Records Supervisor (Salary & Benefits) - New request	"	73,380
10 Part-Time Police Records Clerk (Salary and Benefits) - Frozen	"	23,073
11 Battalion Chief (Salary and Benefits) - Frozen	Fire	81,440
12 Janitorial Services for Village Hall Public Areas	"	24,800
13 Part-Time GIS Coop (50% of Salary & Benefits; Other 50% in Water/Sewer Fund) - Frozen	Community Development	5,920
14 Seasonal Code Enforcement Interns (3) - Frozen	"	15,510
15 Part-Time Communications and Marketing Specialist - New request	"	21,160
<b>Total</b>		<b>868,188</b>

**FUND 5100  
WATER & SEWER  
OPERATING & MAINTENANCE FUND  
FIVE YEAR FINANCIAL FORECAST  
SUMMARY**

No increases; No DWC Rebate

Attachment III-1

	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection	FYE 2015 Projection
<b>BEGINNING FUND BALANCE</b>	<b>3,275,112</b>	<b>3,179,757</b>	<b>1,739,057</b>	<b>-516,779</b>	<b>-3,258,809</b>	<b>-6,510,529</b>	<b>-10,297,269</b>
<b>REVENUES</b>							
CHARGES FOR SERVICE	11,434,735	10,912,250	10,913,490	10,914,770	10,916,090	10,917,450	10,918,850
MISCELLANEOUS REVENUES	286,400	270,800	270,800	270,800	270,800	270,800	270,800
TRANSFERS IN	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>11,721,135</b>	<b>11,183,050</b>	<b>11,184,290</b>	<b>11,185,570</b>	<b>11,186,890</b>	<b>11,188,250</b>	<b>11,189,650</b>
<b>EXPENDITURES</b>							
PERSONAL SERVICES	3,020,090	3,125,420	3,272,610	3,431,920	3,604,680	3,792,390	3,996,740
COMMODITIES	314,940	311,070	320,420	330,040	339,950	350,150	360,650
CONTRACTUAL SERVICES	3,899,970	4,144,100	4,361,960	4,586,610	4,818,250	5,057,110	5,303,390
OTHER EXPENSES	2,161,230	2,607,700	3,036,636	3,117,090	3,199,950	3,285,300	3,373,210
CAPITAL EXPENDITURES	0	0	0	0	0	0	0
TRANSFERS OUT	2,420,260	2,435,460	2,448,500	2,461,940	2,475,780	2,490,040	2,504,720
<b>TOTAL EXPENDITURES</b>	<b>11,816,490</b>	<b>12,623,750</b>	<b>13,440,126</b>	<b>13,927,600</b>	<b>14,438,610</b>	<b>14,974,990</b>	<b>15,538,710</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>-95,355</b>	<b>-1,440,700</b>	<b>-2,255,836</b>	<b>-2,742,030</b>	<b>-3,251,720</b>	<b>-3,786,740</b>	<b>-4,349,060</b>
<b>ENDING FUND BALANCE</b>	<b>3,179,757</b>	<b>1,739,057</b>	<b>-516,779</b>	<b>-3,258,809</b>	<b>-6,510,529</b>	<b>-10,297,269</b>	<b>-14,646,329</b>
<b>FUND BALANCE AS A PERCENT OF TOTAL EXP.</b>	<b>26.9%</b>	<b>13.8%</b>	<b>-3.8%</b>	<b>-23.4%</b>	<b>-45.1%</b>	<b>-68.8%</b>	<b>-94.3%</b>

<b>Projected Annual Water &amp; Sewer Rate Increases</b>							
for Operations	\$0.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
for Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount/1000 gallons	\$0.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Water &amp; Sewer Rate</b>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>
<b>Percentage Increase</b>	<b>2.17%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Service Charge (per bill)</b>	<b>\$6.70</b>	<b>\$6.70</b>	<b>\$6.70</b>	<b>\$6.70</b>	<b>\$6.70</b>	<b>\$6.70</b>	<b>\$6.70</b>
<b>Percentage Increase</b>	<b>4.69%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Cross Connection Charge (per bill)</b>	<b>\$5.85</b>	<b>\$5.85</b>	<b>\$5.85</b>	<b>\$5.85</b>	<b>\$5.85</b>	<b>\$5.85</b>	<b>\$5.85</b>
<b>Percentage Increase</b>	<b>4.46%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

Beg. DWC Rebate money remaining	2,227,998	1,715,073	1,715,073	1,715,073	1,715,073	1,715,073	1,715,073
Amount of DWC Rebate in each year	512,925 *	0	0	0	0	0	0
Ending DWC Rebate Money remaining	<u>1,715,073</u>	<u>1,715,073</u>	<u>1,715,073</u>	<u>1,715,073</u>	<u>1,715,073</u>	<u>1,715,073</u>	<u>1,715,073</u>

\*\$188,160 was supposed to have been transferred in FY08; however, this transfer mistakenly did not take place in FY08; therefore, this amount was added to the FY09 budgeted transfer of \$324,765, for a total of \$512,925

Includes increases for purchased water of \$0.20 in FY09, \$0.23 in FY10 & \$0.25 in FY11

**FUND 5100  
WATER & SEWER  
OPERATING & MAINTENANCE FUND  
FIVE YEAR FINANCIAL FORECAST  
SUMMARY**

**7.49% Increase; \$630,000 of DWC Rebate**

Attachment III-2

	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection	FYE 2015 Projection
<b>BEGINNING FUND BALANCE</b>	<b>3,275,112</b>	<b>3,179,757</b>	<b>3,160,937</b>	<b>3,335,597</b>	<b>3,456,873</b>	<b>3,587,686</b>	<b>3,717,303</b>
<b>REVENUES</b>							
CHARGES FOR SERVICE	11,434,735	12,334,130	13,261,329	13,692,936	14,210,933	14,743,487	15,322,694
MISCELLANEOUS REVENUES	286,400	270,800	270,800	270,800	270,800	270,800	270,800
TRANSFERS IN	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>11,721,135</b>	<b>12,604,930</b>	<b>13,532,129</b>	<b>13,963,736</b>	<b>14,481,733</b>	<b>15,014,287</b>	<b>15,593,494</b>
<b>EXPENDITURES</b>							
PERSONAL SERVICES	3,020,090	3,125,420	3,272,610	3,431,920	3,604,680	3,792,390	3,996,740
COMMODITIES	314,940	311,070	320,420	330,040	339,950	350,150	360,650
CONTRACTUAL SERVICES	3,899,970	4,144,100	4,361,960	4,586,610	4,818,250	5,057,110	5,303,390
OTHER EXPENSES	2,161,230	2,607,700	2,953,979	3,031,950	3,112,260	3,194,980	3,280,180
CAPITAL EXPENDITURES	0	0	0	0	0	0	0
TRANSFERS OUT	2,420,260	2,435,460	2,448,500	2,461,940	2,475,780	2,490,040	2,504,720
<b>TOTAL EXPENDITURES</b>	<b>11,816,490</b>	<b>12,623,750</b>	<b>13,357,469</b>	<b>13,842,460</b>	<b>14,350,920</b>	<b>14,884,670</b>	<b>15,445,680</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>-95,355</b>	<b>-18,820</b>	<b>174,660</b>	<b>121,276</b>	<b>130,813</b>	<b>129,617</b>	<b>147,814</b>
<b>ENDING FUND BALANCE</b>	<b>3,179,757</b>	<b>3,160,937</b>	<b>3,335,597</b>	<b>3,456,873</b>	<b>3,587,686</b>	<b>3,717,303</b>	<b>3,865,117</b>
<b>FUND BALANCE AS A PERCENT OF TOTAL EXP.</b>	<b>26.9%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>

<b>Projected Annual Water &amp; Sewer Rate Increases</b>							
for Operations	\$0.17	\$0.60	\$0.65	\$0.63	\$0.55	\$0.46	\$0.43
for Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount/1000 gallons	\$0.17	\$0.60	\$0.65	\$0.63	\$0.55	\$0.46	\$0.43
<b>Total Water &amp; Sewer Rate</b>	<b>\$8.01</b>	<b>\$8.61</b>	<b>\$9.26</b>	<b>\$9.89</b>	<b>\$10.44</b>	<b>\$10.90</b>	<b>\$11.33</b>
<b>Percentage Increase</b>	<b>2.17%</b>	<b>7.49%</b>	<b>7.55%</b>	<b>6.80%</b>	<b>5.56%</b>	<b>4.41%</b>	<b>3.94%</b>
<b>Service Charge (per bill)</b>	<b>\$6.70</b>	<b>\$7.00</b>	<b>\$7.30</b>	<b>\$7.60</b>	<b>\$7.95</b>	<b>\$8.30</b>	<b>\$8.65</b>
<b>Percentage Increase</b>	<b>4.69%</b>	<b>4.48%</b>	<b>4.29%</b>	<b>4.11%</b>	<b>4.61%</b>	<b>4.40%</b>	<b>4.22%</b>
<b>Cross Connection Charge (per bill)</b>	<b>\$5.85</b>	<b>\$6.10</b>	<b>\$6.35</b>	<b>\$6.60</b>	<b>\$6.90</b>	<b>\$7.20</b>	<b>\$7.50</b>
<b>Percentage Increase</b>	<b>4.46%</b>	<b>4.27%</b>	<b>4.10%</b>	<b>3.94%</b>	<b>4.55%</b>	<b>4.35%</b>	<b>4.17%</b>

Beg. DWC Rebate money remaining	2,227,998	1,715,073	1,085,073	385,073	85,073	0	0
Amount of DWC Rebate in Revenue	512,925 *	630,000	700,000	300,000	85,073	0	0
Ending DWC Rebate Money remaining	1,715,073	1,085,073	385,073	85,073	0	0	0

\*\$188,160 was supposed to have been transferred in FY08; however, this transfer mistakenly did not take place in FY08; therefore, this amount was added to the FY09 budgeted transfer of \$324,765, for a total of \$512,925

Includes increases for purchased water of \$0.20 in FY09, \$0.23 in FY10 & \$0.25 in FY11

**FUND 5100  
WATER & SEWER  
OPERATING & MAINTENANCE FUND  
FIVE YEAR FINANCIAL FORECAST  
SUMMARY**

**6.24% Increase; \$750,000 DWC Rebate**

Attachment III-3

	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection	FYE 2015 Projection
<b>BEGINNING FUND BALANCE</b>	<b>3,275,112</b>	<b>3,179,757</b>	<b>3,152,767</b>	<b>3,338,339</b>	<b>3,465,030</b>	<b>3,587,664</b>	<b>3,717,276</b>
<b>REVENUES</b>							
CHARGES FOR SERVICE	11,434,735	12,325,960	13,272,242	13,698,351	14,202,754	14,743,482	15,322,689
MISCELLANEOUS REVENUES	286,400	270,800	270,800	270,800	270,800	270,800	270,800
TRANSFERS IN	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>11,721,135</b>	<b>12,596,760</b>	<b>13,543,042</b>	<b>13,969,151</b>	<b>14,473,554</b>	<b>15,014,282</b>	<b>15,593,489</b>
<b>EXPENDITURES</b>							
PERSONAL SERVICES	3,020,090	3,125,420	3,272,610	3,431,920	3,604,680	3,792,390	3,996,740
COMMODITIES	314,940	311,070	320,420	330,040	339,950	350,150	360,650
CONTRACTUAL SERVICES	3,899,970	4,144,100	4,361,960	4,586,610	4,818,250	5,057,110	5,303,390
OTHER EXPENSES	2,161,230	2,607,700	2,953,979	3,031,950	3,112,260	3,194,980	3,280,180
CAPITAL EXPENDITURES	0	0	0	0	0	0	0
TRANSFERS OUT	2,420,260	2,435,460	2,448,500	2,461,940	2,475,780	2,490,040	2,504,720
<b>TOTAL EXPENDITURES</b>	<b>11,816,490</b>	<b>12,623,750</b>	<b>13,357,469</b>	<b>13,842,460</b>	<b>14,350,920</b>	<b>14,884,670</b>	<b>15,445,680</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>-95,355</b>	<b>-26,990</b>	<b>185,572</b>	<b>126,691</b>	<b>122,634</b>	<b>129,612</b>	<b>147,809</b>
<b>ENDING FUND BALANCE</b>	<b>3,179,757</b>	<b>3,152,767</b>	<b>3,338,339</b>	<b>3,465,030</b>	<b>3,587,664</b>	<b>3,717,276</b>	<b>3,865,084</b>
<b>FUND BALANCE AS A PERCENT OF TOTAL EXP.</b>	<b>26.9%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>

<b>Projected Annual Water &amp; Sewer Rate Increases</b>							
for Operations	\$0.17	\$0.50	\$0.70	\$0.77	\$0.52	\$0.40	\$0.43
for Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount/1000 gallons	\$0.17	\$0.50	\$0.70	\$0.77	\$0.52	\$0.40	\$0.43
<b>Total Water &amp; Sewer Rate</b>	<b>\$8.01</b>	<b>\$8.51</b>	<b>\$9.21</b>	<b>\$9.98</b>	<b>\$10.50</b>	<b>\$10.90</b>	<b>\$11.33</b>
<b>Percentage Increase</b>	<b>2.17%</b>	<b>6.24%</b>	<b>8.23%</b>	<b>8.36%</b>	<b>5.21%</b>	<b>3.81%</b>	<b>3.94%</b>
<b>Service Charge (per bill)</b>	<b>\$6.70</b>	<b>\$7.00</b>	<b>\$7.30</b>	<b>\$7.60</b>	<b>\$7.95</b>	<b>\$8.30</b>	<b>\$8.65</b>
<b>Percentage Increase</b>	<b>4.69%</b>	<b>4.48%</b>	<b>4.29%</b>	<b>4.11%</b>	<b>4.61%</b>	<b>4.40%</b>	<b>4.22%</b>
<b>Cross Connection Charge (per bill)</b>	<b>\$5.85</b>	<b>\$6.10</b>	<b>\$6.35</b>	<b>\$6.60</b>	<b>\$6.90</b>	<b>\$7.20</b>	<b>\$7.50</b>
<b>Percentage Increase</b>	<b>4.46%</b>	<b>4.27%</b>	<b>4.10%</b>	<b>3.94%</b>	<b>4.55%</b>	<b>4.35%</b>	<b>4.17%</b>

Beg. DWC Rebate money remaining	2,227,998	1,715,073	965,073	190,073	0	0	0
Amount of DWC Rebate in Revenue	512,925 *	750,000	775,000	190,073	0	0	0
Ending DWC Rebate Money remaining	1,715,073	965,073	190,073	0	0	0	0

\*\$188,160 was supposed to have been transferred in FY08; however, this transfer mistakenly did not take place in FY08; therefore, this amount was added to the FY09 budgeted transfer of \$324,765, for a total of \$512,925

Includes increases for purchased water of \$0.20 in FY09, \$0.23 in FY10 & \$0.25 in FY11



**FUND 5100  
WATER & SEWER  
OPERATING & MAINTENANCE FUND  
FIVE YEAR FINANCIAL FORECAST  
SUMMARY**

**9.49% Increase; \$425,000 DWC Rebate**

Attachment III-4

	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection	FYE 2015 Projection
<b>BEGINNING FUND BALANCE</b>	<b>3,275,112</b>	<b>3,179,757</b>	<b>3,160,997</b>	<b>3,341,002</b>	<b>3,465,724</b>	<b>3,590,480</b>	<b>3,717,287</b>
<b>REVENUES</b>							
CHARGES FOR SERVICE	11,434,735	12,334,190	13,266,674	13,696,382	14,204,876	14,740,677	15,322,691
MISCELLANEOUS REVENUES	286,400	270,800	270,800	270,800	270,800	270,800	270,800
TRANSFERS IN	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>11,721,135</b>	<b>12,604,990</b>	<b>13,537,474</b>	<b>13,967,182</b>	<b>14,475,676</b>	<b>15,011,477</b>	<b>15,593,491</b>
<b>EXPENDITURES</b>							
PERSONAL SERVICES	3,020,090	3,125,420	3,272,610	3,431,920	3,604,680	3,792,390	3,996,740
COMMODITIES	314,940	311,070	320,420	330,040	339,950	350,150	360,650
CONTRACTUAL SERVICES	3,899,970	4,144,100	4,361,960	4,586,610	4,818,250	5,057,110	5,303,390
OTHER EXPENSES	2,161,230	2,607,700	2,953,979	3,031,950	3,112,260	3,194,980	3,280,180
CAPITAL EXPENDITURES	0	0	0	0	0	0	0
TRANSFERS OUT	2,420,260	2,435,460	2,448,500	2,461,940	2,475,780	2,490,040	2,504,720
<b>TOTAL EXPENDITURES</b>	<b>11,816,490</b>	<b>12,623,750</b>	<b>13,357,469</b>	<b>13,842,460</b>	<b>14,350,920</b>	<b>14,884,670</b>	<b>15,445,680</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>-95,355</b>	<b>-18,760</b>	<b>180,005</b>	<b>124,722</b>	<b>124,756</b>	<b>126,807</b>	<b>147,811</b>
<b>ENDING FUND BALANCE</b>	<b>3,179,757</b>	<b>3,160,997</b>	<b>3,341,002</b>	<b>3,465,724</b>	<b>3,590,480</b>	<b>3,717,287</b>	<b>3,865,098</b>
<b>FUND BALANCE AS A PERCENT OF TOTAL EXP.</b>	<b>26.9%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>

<b>Projected Annual Water &amp; Sewer Rate Increases</b>							
for Operations	\$0.17	\$0.76	\$0.58	\$0.57	\$0.41	\$0.40	\$0.60
for Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount/1000 gallons	\$0.17	\$0.76	\$0.58	\$0.57	\$0.41	\$0.40	\$0.60
<b>Total Water &amp; Sewer Rate</b>	<b>\$8.01</b>	<b>\$8.77</b>	<b>\$9.35</b>	<b>\$9.92</b>	<b>\$10.33</b>	<b>\$10.73</b>	<b>\$11.33</b>
<b>Percentage Increase</b>	<b>2.17%</b>	<b>9.49%</b>	<b>6.61%</b>	<b>6.10%</b>	<b>4.13%</b>	<b>3.87%</b>	<b>5.59%</b>
<b>Service Charge (per bill)</b>	<b>\$6.70</b>	<b>\$7.00</b>	<b>\$7.30</b>	<b>\$7.60</b>	<b>\$7.95</b>	<b>\$8.30</b>	<b>\$8.65</b>
<b>Percentage Increase</b>	<b>4.69%</b>	<b>4.48%</b>	<b>4.29%</b>	<b>4.11%</b>	<b>4.61%</b>	<b>4.40%</b>	<b>4.22%</b>
<b>Cross Connection Charge (per bill)</b>	<b>\$5.85</b>	<b>\$6.10</b>	<b>\$6.35</b>	<b>\$6.60</b>	<b>\$6.90</b>	<b>\$7.20</b>	<b>\$7.50</b>
<b>Percentage Increase</b>	<b>4.46%</b>	<b>4.27%</b>	<b>4.10%</b>	<b>3.94%</b>	<b>4.55%</b>	<b>4.35%</b>	<b>4.17%</b>

Beg. DWC Rebate money remaining	2,227,998	1,715,073	1,290,073	700,073	435,073	215,073	0
Amount of DWC Rebate in Revenue	512,925 *	425,000	590,000	265,000	220,000	215,073	0
Ending DWC Rebate Money remaining	1,715,073	1,290,073	700,073	435,073	215,073	0	0

\*\$188,160 was supposed to have been transferred in FY08; however, this transfer mistakenly did not take place in FY08; therefore, this amount was added to the FY09 budgeted transfer of \$324,765, for a total of \$512,925

Includes increases for purchased water of \$0.20 in FY09, \$0.23 in FY10 & \$0.25 in FY11

**FYE 2010 PROPOSED BUDGET  
WATER/SEWER FUND  
INCLUDED/EXCLUDED ITEMS**

Description	Department	Cost (Included)
<b>Items Included in Water/Sewer Fund Budget:</b>		
1 Contingency	Public Works	62,670
2 Increases FYE 2009 to 2010 in Medicare, Social Security & IMRF	"	64,510
3 Increases FYE 2009 to 2010 in electric costs including new South Booster Station	"	83,230
4 Seasonal Maintenance Worker (100% of Salary & Benefits)	"	10,430
5 Purchased Lake Michigan Water	"	2,252,700
6 Fixed Costs--Lake Michigan Water	"	355,000
7 Large Meter Testing (325 meters)	"	90,000
8 Cross Connection Survey (60% offset by revenues)	"	63,600
9 Grease Control Program	"	22,200
10 Glenbard Wastewater Authority	"	3,154,290
11 Leak Detection Survey	"	12,500
12 Fire Hydrant Painting	"	25,000
13 Hauling and Dumping Fees	"	99,000
14 Contracted Meter Readings	"	53,340
15 Sewer Stub Rodding Fees	"	70,000
16 Computer Services - IT Consultants	"	33,170
17 HTE Software Support Charges	"	22,140
18 Liquid Chlorine for water treatment	"	15,000
19 Laptop and software for field use	"	4,000
<b>Total</b>		<b>6,492,780</b>

Description	Department	Cost (Not Included)
<b>Items Not Included in Water/Sewer Fund Budget:</b>		
1 Part-Time GIS Coop (50% of Salary and Benefits; Other 50% in General Fund)	Community Development	5,920
<b>Total</b>		<b>5,920</b>

## 2009 WATER &amp; SEWER MUNICIPAL RATE COMPARISON

Municipality	What would an 8,000 gallon residential bill cost?	8,000 gallon bill at Proposed New Rate
Bensenville	No information	
Darien	No information	
Westmont	No information	
Villa Park	\$93.26	<del>\$95.26</del>
Wood Dale	\$83.35	
Itasca	\$80.00	<del>\$92.00</del>
Glen Ellyn	\$79.40	
Oakbrook Terrace	\$76.27	
Roselle	\$71.36	
<del>Lombard</del>	<del>\$70.73</del>	<del>75.83</del>
Carol Stream	\$70.20	
Winfield	\$69.68	
Wheaton	\$68.92	
Addison	\$68.36	<del>\$74.12</del>
Oak Brook	\$66.10	<del>\$68.66</del>
Elmhurst	\$61.60	
Lisle	\$61.38	
		5/1/09 - \$63.20 11/1/09 - \$65.60
Bloomingtondale	\$60.80	
DuPage County	\$57.04	
Willowbrook	\$56.67	
Glendale Heights	\$50.88	
Downers Grove	\$44.66	<del>\$45.94</del>
Hinsdale	\$44.16	
Naperville	\$43.86	<del>\$45.70</del>
Clarendon Hills	\$39.68	
Woodridge	\$26.00	

CONFERENCE CENTER REVENUE AND REBATE REMOVED

FUND 1010  
 FUND BALANCE PROJECTIONS  
 HOTEL MOTEL TAX  
 FIVE YEAR FINANCIAL FORECAST

FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection
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<b>BEGINNING FUND BALANCE</b>	<b>758,298</b>	<b>602,718</b>	<b>402,758</b>	<b>189,888</b>	<b>-36,732</b>	<b>-278,052</b>
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EXPENDITURES	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection
PERSONAL SERVICES	276,420	278,870	294,010	310,060	327,120	345,260
COMMODITIES	75,870	66,050	68,030	70,070	72,170	74,330
CONTRACT SERVICES	915,170	959,360	988,240	1,017,980	1,048,630	1,080,190
OTHER EXPENSES	0	0	0	0	0	0
CAPITAL OUTLAY	0	0	0	0	0	0
OTHER FINANCING USES	101,750	109,300	112,580	115,960	119,440	123,020
<b>TOTAL</b>	<b>1,369,210</b>	<b>1,413,580</b>	<b>1,462,860</b>	<b>1,514,070</b>	<b>1,567,360</b>	<b>1,622,800</b>

REVENUES	FYE 2009 YE Est	FYE 2010 Budget	FYE 2011 Projection	FYE 2012 Projection	FYE 2013 Projection	FYE 2014 Projection
TAXES	1,212,430	1,212,430	1,248,800	1,286,260	1,324,850	1,364,600
LICENSES & PERMITS	0	0	0	0	0	0
INTERGOVERNMENTAL REVENUES	0	0	0	0	0	0
CHARGES FOR SERVICES	0	0	0	0	0	0
FINES & FORFEITURES	0	0	0	0	0	0
MISCELLANEOUS REVENUES	1,200	1,190	1,190	1,190	1,190	1,190
OTHER FINANCING SOURCES	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,213,630</b>	<b>1,213,620</b>	<b>1,249,990</b>	<b>1,287,450</b>	<b>1,326,040</b>	<b>1,365,790</b>

<b>PROJECTED SURPLUS/(DEFICIT)</b>	<b>-155,580</b>	<b>-199,960</b>	<b>-212,870</b>	<b>-226,620</b>	<b>-241,320</b>	<b>-257,010</b>
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<b>ENDING FUND BALANCE</b>	<b>602,718</b>	<b>402,758</b>	<b>189,888</b>	<b>-36,732</b>	<b>-278,052</b>	<b>-535,062</b>
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<b>FUND BALANCE AS A PERCENTAGE OF TOTAL EXPENDITURES (EXCLUDING INTERFUND TRANSFERS)</b>	<b>47.55%</b>	<b>30.88%</b>	<b>14.06%</b>	<b>-2.63%</b>	<b>-19.20%</b>	<b>-35.68%</b>
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**HISTORICAL ANALYSIS  
FYE 2010 PROPOSED HOTEL/MOTEL BUDGET**

<b>Description</b>	<b>FYE 2008 AMENDED BUDGET</b>	<b>FYE 2009 AMENDED BUDGET</b>	<b>FYE 2010 PROPOSED BUDGET</b>
<b>1 Personnel Costs</b>	<b>223,270</b>	<b>156,660</b>	<b>167,110</b>
Full-Time Salaries:	137,730	79,000	81,960
Communications & Marketing Coordinator			
Web Site Specialist (Only in FYE 2008 Amended Budget)			
Part-Time Salaries:	46,400	46,600	49,780
Cable TV Interns			
Administrative Secretary			
Communications & Mktg Spec			
Health/Life Insurance	9,660	10,890	11,780
IMRF/SS/Medicare	29,480	20,170	23,590
<b>2 Operating Expenses</b>	<b>109,100</b>	<b>203,090</b>	<b>163,950</b>
Transfer to General Fund	87,470	111,180	102,000
Transfer to Technology Reserve	5,830	6,460	7,300
Dues & Subscriptions	2,640	2,650	2,540
Training & Travel	3,210	5,750	750
Books & Literature	300	100	100
Operating Supplies	2,430	1,940	1,000
Web Site Expenses	2,520	67,210	44,360
Cable TV Equip/Supplies & Maintenance	4,300	7,400	5,500
Computer Software	400	400	400
<b>3 Newsletters &amp; Other Mailings</b>	<b>37,800</b>	<b>38,340</b>	<b>49,410</b>
Printing & Mailing Costs - Lombard Pride	21,000	21,200	28,770
New Resident Booklets			3,000
Postage	16,800	17,140	17,640
<b>4 Winter Program</b>	<b>41,150</b>	<b>50,150</b>	<b>50,150</b>
Winter Decorations	30,000	30,000	30,000
Winter Lights - PW Overtime	3,000	3,000	3,000
Winter Lights - Downtown Trees	2,150	2,150	2,150
Overtime - Police Holiday Patrol (BAMPP)	6,000	15,000	15,000
<b>5 Lilac Parade/Activities</b>	<b>72,060</b>	<b>76,720</b>	<b>76,720</b>
Lilac Parade Committee	30,000	30,000	30,000
Lilac Time Advertising	12,000	12,000	12,000
Operating Supplies - Fire Department	680	700	700
Public Works Supplies	670	500	500
Barricade Rental	450	3,400	3,400
Lilac Queen Scholarship	5,000	5,000	5,000
Auxiliary Police/Private Security (including meals)	7,000	8,000	8,000
Police Overtime	12,500	13,000	13,000
Public Works Overtime	2,200	2,500	2,500
Fire Department Overtime	1,560	1,620	1,620

**HISTORICAL ANALYSIS  
FYE 2010 PROPOSED HOTEL/MOTEL BUDGET**

<b>Description</b>	<b>FYE 2008 AMENDED BUDGET</b>	<b>FYE 2009 AMENDED BUDGET</b>	<b>FYE 2010 PROPOSED BUDGET</b>
<b>6 Taste of Lombard</b>	<b>96,475</b>	<b>101,170</b>	<b>111,190</b>
Shuttle Service - Taste of Lombard	4,500	6,000	6,000
Lombard Jaycees - Taste of Lombard*	25,000	25,000 *	35,000
Mosquito Spraying	1,500	1,500	1,500
Barricade Rental	600	600	600
Auxilliary Police/Private Security (including meals)	13,000	14,000	14,000
Snow Fence	700	700	700
Public Works Supplies	1,315	750	750
Flares	1,600	1,600	1,600
Operating Supplies - Fire Department	2,150	2,330	2,330
Police Overtime	35,000	37,000	37,000
Public Works Overtime	3,700	4,000	4,000
Fire Department Overtime	7,410	7,690	7,710
<b>7 Cruise Nights</b>	<b>38,140</b>	<b>41,220</b>	<b>44,220</b>
Entertainment	20,000	20,000	20,000
Misc Operating Expenses			740
Barricade Rental	700	700	700
Public Works Supplies	440	550	550
Police Overtime	13,000	15,770	18,030
Public Works Overtime	4,000	4,200	4,200
<b>8 Lilac Time Art &amp; Craft Show</b>	<b>1,705</b>	<b>1,290</b>	<b>1,290</b>
Port-A-Potties	500		
Barricade Rental	500	570	570
Public Works Supplies	405	420	420
Public Works Overtime	300	300	300
<b>9 Landscaping Program</b>	<b>206,000</b>	<b>235,250</b>	<b>237,750</b>
Village Beautification	50,000	50,000	50,000
Lilac Bush Program	6,000	6,000	6,000
Tree & Stump Removal	25,000	25,000	25,000
Tree Trimming	60,000	65,000	65,000
Tree Planting Only	65,000	70,000	55,000
Landscaping of Civic Center & Other Areas			36,750
Replacement of 77 Storm-Damaged Trees		19,250	0
<b>10 Historical Museum, Peck House, &amp; Main Street Cemetery</b>	<b>112,640</b>	<b>213,140</b>	<b>145,460</b>
Operating Expenses	92,740	109,340	113,160
Peck House Expenses	2,800	2,800	2,800
Main Street Cemetery Expenses & Improvements		84,000	22,500
Historical Museum Improvements	17,100	17,000	7,000
<b>11 Lombard Pride Week &amp; Clean-up/Chore Days</b>	<b>2,325</b>	<b>830</b>	<b>1,330</b>
Pride Buttons	1,500		
Pride Clean-up Misc. Operating Supplies			500
Public Works Supplies	325	330	330
Public Works Overtime	500	500	500
<b>12 DuPage Convention &amp; Visitor's Bureau Program</b>	<b>79,980</b>	<b>103,940</b>	<b>96,600</b>
DuPage Convention & Visitors' Bureau Payments	69,980	88,940	81,600
DuPage Conv & Visitors' Bureau "IL Advertising"	10,000	15,000	15,000

**HISTORICAL ANALYSIS  
FYE 2010 PROPOSED HOTEL/MOTEL BUDGET**

Description	FYE 2008 AMENDED BUDGET	FYE 2009 AMENDED BUDGET	FYE 2010 PROPOSED BUDGET
<b>13 Miscellaneous Expenses</b>	<b>623,015</b>	<b>986,800</b>	<b>1,095,910</b>
Grant for Cooperative Advertising with Hotels	63,870	69,200	0
LPFC Hotel/Motel Tax Rebate	433,700	798,050	827,510
Circulator Grant			150,000
Lombard Park District Grant - Aquatic Center			13,000
Village Entry Signage	40,000		
Fourth of July Parade Supplies & Signs	575	600	600
Miscellaneous Promotional Materials		3,000	
Port-A-Potties (Various Events)	500	500	500
Auditing Services - Audit One Hotel	2,000		
Banners (various programs)	30,000	30,000	30,000
Banner Replacement - Flags and Flag Banners	30,000	30,000	30,000
Sept. 11 Remembrance - Operating Supplies	650	150	150
Senior Fair Supplies			300
Business Recognition Honorarium			200
Business Recognition Luncheon, Misc.			900
Misc. Public Works Supplies	900	850	850
Misc. Public Works Overtime	670	850	850
Misc. Fire Dept. Overtime	3,900	4,400	4,050
Memorial Day Event	800	1,300	1,300
Illuminated Street Signs (2)		7,200	0
Elmhurst Symphony Orchestra Concert Series Grant*		20,000	20,000
Misc Grants	3,000	3,000	3,000
Business Expo Grant	4,000	4,000	4,000
Sidewalk Snow and Ice Removal	2,450	2,700	2,700
Miscellaneous Barricade Rentals	5,000	6,000	6,000
Miscellaneous Advertisements	1,000	5,000	
<b>Grand Total</b>	<b>1,643,660</b>	<b>2,208,600</b>	<b>2,241,090</b>

\* Note in FYE 2009, \$25,000 was budgeted for the Taste of Lombard grant. However, \$35,000 was actually awarded by the Village.

H:\Finance\Budget\Budget Preparations 2010\HotMot\[HotMot Budget Analysis Report.xls]Sheet 1