



VILLAGE OF LOMBARD

255 E. Wilson Ave.
Lombard, Illinois 60148-3931
(630) 620-5700 Fax (630) 620-8222
www.villageoflombard.org

To: Finance Committee

David A. Hulseberg, Village Manager

From: Timothy Sexton, Director of Finance

Date: August 20, 2013

Subject: **Financial Policies Update – Facility Reserve**

Attached is a proposed Facility Reserve section of the Village's Financial Policies. Staff is proposing providing some funding for facilities each year by allocating 3% of sales tax and 5% of utility tax revenues, which is approximately \$580,000/year based on current year projections. The funding for facilities would help create a steady funding mechanism to prevent large one-time allocations of revenue towards facility needs. While this proposed policy does not fund all future facility needs, it is a step in the right direction.

Staff is requesting the Finance Committee's recommendation of this proposal to the Village Board of Trustees for their consideration.

PROPOSED FACILITY RESERVE POLICY

The Facility Capital Reserve Fund provides for funding of projects associated with the repair, maintenance, and replacement of the Village of Lombard's facilities. Expenditures from this fund are restricted to major repair, maintenance, and replacement projects for Village owned facilities.

Funding is provided annually by allocating three percent (3%) of sales tax revenue and five percent (5%) of utility tax revenue.