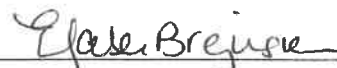


**ORDINANCE 7991  
PAMPHLET**

**AN ORDINANCE AUTHORIZING ADDITIONS AND AMENDMENTS TO THE  
VILLAGE OF LOMBARD FINANCIAL POLICIES REGARDING THE YEAR END  
GENERAL FUND RESERVE MAINTENANCE POLICY ADOPTED JULY 21, 2016**



PUBLISHED IN PAMPHLET FORM THIS 22<sup>nd</sup> OF OCTOBER, 2021, BY ORDER  
OF THE CORPORATE AUTHORITIES OF THE VILLAGE OF LOMBARD, DUPAGE  
COUNTY, ILLINOIS.

  
Elizabeth Brezinski  
Village Clerk

**ORDINANCE NO. 7991**

**AN ORDINANCE AUTHORIZING  
ADDITIONS AND AMENDMENTS  
TO THE VILLAGE OF LOMBARD FINANCIAL POLICIES**

**WHEREAS**, the President and Board of Trustees (the “Corporate Authorities”) of the Village of Lombard (the “Village”) previously approved various financial policies (the “Financial Policies”); and

**WHEREAS**, the Financial Policies contribute to the continuity and credibility of administering public funds; and

**WHEREAS**, the Village’s Finance and Administration Committee has reviewed and recommended to the Corporate Authorities additions and amendments to the Financial Policies, as set forth in more detail in Exhibit A attached hereto and made part hereof (the “Financial Policies Revisions”); and

**WHEREAS**, the Corporate Authorities deem it to be in the best interest of the to approve the Financial Policies Revisions;

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS** as follows:

**Section 1:** That the Financial Policies Revisions, as attached hereto as Exhibit A, are hereby approved.

**Section 2:** That the Village’s Director of Finance is hereby authorized and directed to implement said Financial Policies, as revised by the Financial Policies Revisions.

**Section 3:** That this Ordinance shall be in full force and from and after its passage, approval and publication in pamphlet form as provided by law.

Passed on first reading this 7<sup>th</sup> day of October, 2021.

First reading waived by action of the President and Board of Trustees this \_\_\_ day of \_\_\_\_\_, 2021.

Passed on second reading this 21<sup>st</sup> of October, 2021, pursuant to a roll call vote as follows:

Ayes: Trustee LaVaque, Puccio, Dudek, Honig, Militello and Bachner

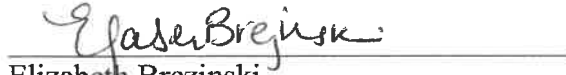
Nays: None

Absent: None

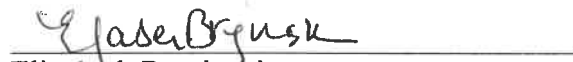
Approved by me this 21<sup>st</sup> of October, 2021.

  
\_\_\_\_\_  
Keith Giagnorio  
Village President

ATTEST:

  
\_\_\_\_\_  
Elizabeth Brezinski  
Village Clerk

Published by me in pamphlet form this 22<sup>nd</sup> of October, 2021.

  
\_\_\_\_\_  
Elizabeth Brezinski  
Village Clerk

**Exhibit A**  
**(Amendments and Additions**  
**to the Village's Financial**  
**Policies)**

**YEAR-END GENERAL FUND RESERVE MAINTENANCE POLICY – Adopted July 21, 2016**

Maintaining reserves is a prudent management practice. Reserves are an important indicator of the Village's financial position and its ability to withstand adverse events. At the end of each fiscal year, year-end revenues over expenses should be distributed to each reserve in the following order:

1. An Emergency General Fund Reserve should be maintained equal to 5% of the current year's budgeted unassigned expenses in the General Fund. The Emergency Reserve may be used for unexpected, large-scale events where costs in excess of \$1 million are incurred, and immediate, remedial action must be taken to protect the health and safety of residents (e.g. major flood, earthquake, event requiring significant overtime, etc.).
2. The Village should maintain a "Revenue Stabilization" reserve with a goal of reaching 3.5% of the current year's budgeted unassigned expenses in the General fund. This reserve may be used to provide funding to temporarily offset unanticipated fluctuations in on-going revenues or unanticipated events, such as unexpected external mandates, reductions in state shared revenues, closure of large sales taxpayer, etc. The reserve funds will provide time for the Village to restructure its operations in a deliberate manner to ensure continuance of critical Village activities. Revenues should be down at least 1.5% compared to prior year budget to utilize this fund.
3. Remaining funds should be split equally (50/50) between a Building Reserve Fund and a Pension Stabilization Fund, up to \$700,000 per year per fund. Any funds over \$700,000 per year per fund will flow to the Economic Development Fund Reserve.
  - The Building Reserve Fund may be used to help fund the cost to build new, replace, or complete a major renovation to an existing Village owned building.
  - The Pension Stabilization Fund may be used if the annual actuarially determined pension funding requirement exceeds the total statutorily permissible annual property tax levy. Funds over \$1M should be distributed as follows to pay down unfunded pension liabilities:
    - Illinois Municipal Retirement Fund: 20%
    - Police Pension Fund: 40%
    - Fire Pension Fund: 40%
  - The Economic Development Fund Reserve should maintain a fund balance of \$5,000,000. Note, the Economic Development Fund is also funded with 25% of Hotel/Motel Tax revenue. If the fund balance exceeds \$5,000,000, the 25% of Hotel/Motel Tax revenue will stay in the Hotel/Motel Fund as long as allowed by law. Any excess funds as stated in #3 from the Building/Pension Reserves will flow into the Economic Development Fund.
  - The Board has the option to reduce, not fund, or amend this policy in any way.