

RESOLUTION
R 38-16

RESOLUTION ACCEPTING A LONG RANGE PLAN

WHEREAS, the Corporate Authorities of the Village of Lombard are committed to high standards of financial management; and

WHEREAS, the preparation and adoption of a long range plan are important steps towards aligning revenues with expenses in order to maintain excellent core services and to address the rising cost of non-discretionary expenses; and

WHEREAS, the Corporate Authorities reviewed the recommended strategies contained in the Village's long range plan presented on April 25, 2016 by the Chairman of the Finance and Administration Committee, Village Manager, and Director of Finance; and

WHEREAS, the recommendation to increase the Places for Eating Tax an additional 1%, reduce expenses as recommended by the Finance and Administration Committee, and to develop or update policies and ordinances to help prevent future year deficits caused by increased costs related to unfunded State mandates, the rising costs of pensions, worker's compensation costs, and general inflationary increases; and

WHEREAS, the long range plan will be regularly monitored and reviewed, and any divergence therefrom fully disclosed and justified;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS that the long range plan presented on April 25, 2016 is hereby accepted and the recommendations included in said plan, and attached hereto, are hereby adopted.

Adopted this 16th day of June, 2016.

Ayes: Trustee Whittington, Fugiel, Foltyniewicz, Johnston, Pike and Ware


Nays: None

Absent: None

Approved this 16th day of June, 2016.


Keith T. Giagnorio
Village President

ATTEST:


Sharon Kuderna
Village Clerk



Long Range Planning Workshop

April 25, 2016

Village Board
&
Finance and Administration Committee

Prepare

1

2

3

Deliver

Plan

TABLE OF CONTENTS

LONG RANGE PLANNING (LRP) WORKSHOP

MEMO FROM VILLAGE MANAGER

ATTACHMENTS

PROPOSED EXPENDITURE REDUCTIONS

A

DRAFT COMMUNICATIONS PLAN

B

EMPLOYEE FAQ SHEET

C

PLACES FOR EATING TAX COMPARISON/SUMMARY

D

TAXI SUBSIDY PROGRAM SUMMARY

E

SEWER RODDING REIMBURSEMENT SUMMARY

F

LRP PRESENTATION TO VILLAGE COMMITTEES (MARCH 2016)

G



VILLAGE OF LOMBARD

255 E. Wilson Ave.
Lombard, Illinois 60148-3926
(630) 620-5700 Fax (630) 620-8222
www.villageoflombard.org

To: Village Board of Trustees
Finance & Administration Committee

From: Scott Niehaus, Village Manager

Date: April 7, 2016

Subject: April 25, 2016 Long Range Planning Workshop

Background

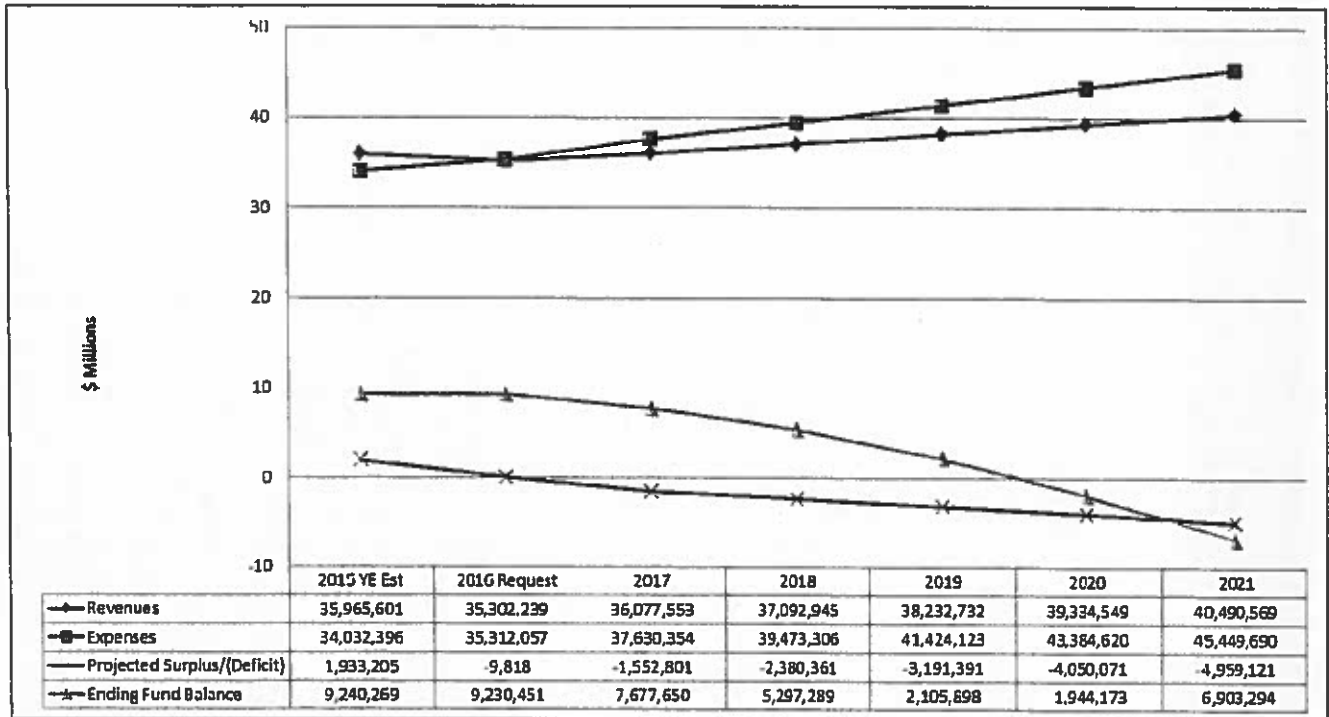
The Long Range Plan is to develop strategies to address the rising cost of non-discretionary expenses. During the meetings for the 2016 budget there was considerable discussion about aligning revenues with expenses in order to eliminate future year deficits. The long term budget deficit is primarily caused by increased costs related to unfunded State mandates, the rising costs of pensions, worker's compensation costs, and general inflationary increases.

In addition, there are lots of moving parts to the State budget proposal and a lot of negotiation with State leaders. It is difficult to say at this point how it will turn out, but the reductions discussed are permanent reductions and not a one-time shortfall or recession that we have to ride through. Staff will continue to monitor the State budget or other legislation that could severely impact the Village's revenues such as the state-shared income tax, motor fuel tax funding, and property taxes.

Last September, per Village Board direction, staff began formulating a plan that would do the following:

- Eliminate any shortfall in the General Fund;
- Not use reserves or fund balance to back-fill for the revenue shortfall; and
- Begin the structural realignment of the organization to eliminate the use of one-time revenues or reserves to balance the operating budgets for the Village.

Below is the current 5 Year Multi-Year Financial Forecast (MYFF) that projects an estimated deficit of \$1.6M for fiscal year 2017. The MYFF is completed each year prior to the start of future budget processes. Staff will continue to make adjustments to new or emerging trends and take into account changing circumstances.



*The Village does anticipate stores opening in 2018; however, they are not reflected in this analysis.

The Finance & Administration (F&A) Committee held four of five planned Long Range Planning (LRP) meetings on November 30, 2015, January 16, 2016, February 22, 2016, and March 21, 2016. The F&A Committee reviewed revenue and expenditure options that will allow the Village to continue to provide excellent core services including public safety provided by Police and Fire Departments; road, sewer, and water maintenance from Public Works; building and code enforcement from Community Development, and responsible long term financial planning from the Finance Department.

Agenda for LRP Meeting #5

- A. Schedule
- B. Finance & Administration Committee Recommendation
- C. Communication Plan
- D. Policy and Ordinance Discussion
- E. Finalize Long Range Budget Plan

A. Schedule

The schedule for the 2016 LRP process is as follows:

November 30, 2015	F&A: Review budget options and develop list of questions
January 25, 2016	F&A: Develop overall strategy and recommend revenue option(s)
February 22, 2016	F&A: Recommend expense reduction(s)
March 21, 2016	F&A: Finalize overall recommendation to Village Board
April 25, 2016	Village Board: Workshop to discuss F&A recommendation
May 2016	Stakeholder communication period
June 16, 2016	Village Board: Regular BOT meeting with agenda item for approval of revenue increases, policies and strategies recommended as part of the Long Range Budget Plan
August 15, 2016	BOT Budget Review #1
August 22, 2016	BOT Budget Review #2

B. Finance & Administration Committee Recommendation

Over the course of four planning meetings, the Finance and Administration Committee and staff worked together to develop a plan that would allow for:

- Balancing of the 2017 budget without the use of reserves to cover the revenue shortfall;
- Beginning development of a Long Range Plan to include both a financial plan and a review of core services.

On March 21, 2016, the Finance and Administration Committee voted unanimously to recommend that the Village Board review and approve the following strategies in order to execute the Long Range Plan.

- Increase the Places for Eating tax a full 1%
 - ½% of revenue would go to the General Fund
 - ½% would be held in a separate account to reserve for future needs
- Approval of expenditure reductions (Attachment A) and maintain a 50/50 split for revenues and expenses to reduce future deficits and adjust as needed.*

***Additional Expenditure Reductions**

In addition to the proposed expenditure reductions, staff was looking at additional options that required further research. These options include changes to contracts, levels of service, and HR (such as policy changes and options for vacant positions).

Staff is waiting on actuary reports for pension funds and loss reserve analysis for liability insurance. These reports are used to determine funding required for the 2016 levy which

will be received in FY 2017. Staff also expects that while we wait for the State to pass a budget, the personnel savings from frozen positions will be greater than the budgeted \$596,235. Staff would like to evaluate mid-year budget performance prior to making additional expenditure recommendations. For example, while we don't have our preliminary notice, we may be able to reduce the gap by an estimated \$100K if the Village's health insurance increase is 4% vs. the assumed increase of 7.5%.

C. Communication Plan

- Draft communications plan that staff drafted to communicate effectively with the public and stakeholders the details of the Long Range Plan (Attachment B).
- Employee FAQ sheet drafted to explain the Long Range Plan to Village employees (Attachment C).

Communication with Village Committees

Finance Director Tim Sexton and I presented information on the LRP process to the Public Works and Environmental, Community Relations, Community Promotions/Tourism, Public Safety and Transportation, and Economic and Community Development Committees. This communication on the Long Range Planning process prepares the Village Committees for out years so they are prepared to discuss level of service changes in the future.

The presentation explained that the Long Range Budget Plan is to develop strategies to address the rising cost of non-discretionary expenses by evaluating the Village's core vs. enhanced service levels. The Village's Committees were also presented with details that pertain to F&A Committee discussions/recommendations:

- **50/50 split between revenues and expenditures/HR for balancing the budget**
 - The Committee tasked the Village Manager and department heads make recommendations on how to come up with \$800K in expenditure reductions.
 - Raise the Places For Eating tax a full 1% with the understanding that ½% of revenue would go to the General Fund and ½% would be held in a separate account for a specific reason or until we have clear direction from the State on future revenues.

Each Village Committee was provided with information on proposed expenditure reductions for enhanced service levels that impact their specific areas. Overall, the Village Committees are clear with the direction and strategies that are being considered. No major concerns were addressed but they would like to ensure the public is adequately prepared for changes approved in the LRP.

D. Policy & Ordinance Discussion

To help move the Village forward and to guide the development of the future budgets, the Village Board should consider implementing the following policy recommendations as part of the Long-Range Financial Plan:

Financial Policies

1. The Village should budget conservatively (budget revenues low and expenses high) and the Multi-Year Financial Forecast will be updated annually.
2. The Village should not use reserves/fund balance as a funding source for on-going operations except in an emergency, short-term basis. Any use of reserves/fund balance shall be repaid in a (3) year period.

Reserves are an important indicator of the Village's financial position and its ability to withstand adverse events. Maintaining reserves is a prudent management practice. Staff and the Finance & Administration Committee will discuss reserve levels and the use of reserves. Below are some examples of reserve policies from other communities that will be reviewed and debated by the F&A Committee.

Examples:

1. *An Emergency General Fund Reserve will be maintained equal to 7% of actual external revenues in the preceding fiscal year in the General Fund. The Emergency Reserve is for unexpected, large-scale events where damage in excess of \$1 million is incurred, and immediate, remedial action must be taken to protect the health and safety of residents (e.g. major flood, earthquake, etc.).*
2. *The Village will maintain a "Revenue Stabilization" reserve with a goal of reaching 2.5% of the current year's budget 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, etc. The reserve funds will provide time for the Village to restructure its operations in a deliberate manner to ensure continuance of critical city activities. If the reserve is spent down, it shall be restored within the following three years. This reserve could be utilized if there is an identified 3-6 month trend of reduced revenues.*
3. *Funds in excess of the reserves will be considered Unassigned General Fund Balance and could be utilized to fund high priority Board designated one-time in nature purposes, including but not limited to funding of accumulated currently unfunded deferred liabilities.*

3. The Village Board should implement the statutorily allowable property tax increase allowed under state law for a Non-Home Rule community. Over the past several years, the increases in pension costs have significantly exceeded the statutorily allowable property tax increase.
4. Prior to any approval of a project, a financial analysis shall be required that analyzes the long-term sustainability of funding from Village resources. Any operating and maintenance (O&M) costs associated with the completed project must be identified along with the proposed source for funding the O&M costs prior to approval of the project.
5. Every 3 years, staff should review the Village's existing fee schedules to determine whether they are comparable to fees charged by other municipalities. Village fees should be at the mid-point, or 50% range, of the surveyed communities.
6. Grants that support Village objectives and are consistent with high priority needs will be aggressively sought. Grants requiring a local match or a continuing Village obligation to fund programs will be carefully considered prior to applying for the grant to ensure that ongoing resources will be available to meet the obligation.
7. Per direction from the Finance & Administration Committee, staff is looking revising the current policy that pertains to fund balance for the Liability Insurance Account. Generally, the life of claim is four years. Therefore, we are looking to spread the unfunded liability over a four year period to smooth out the years with higher claims.

The current financial policy reads: *The Liability Insurance Account will maintain a committed fund balance amount equal to the actuarially determined amount required to make future payments on workers compensation and property and casualty losses. In addition, an assigned fund balance of ten percent (10%) of total annual expenditures shall be maintained to cover additional unanticipated insurance costs or committed requirements. The Village will establish a contingency expenditure balance to provide for unanticipated expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs.*

Proposed Ordinances Changes

If the Village Board approves the proposed Finance Committee recommendations, staff will request the Village Attorney to make changes to the following ordinances.

1. Place for Eating: Amend ordinance 98.111 - Tax on the gross receipts of places for eating B.1 and D.3 from one percent to approved amount (Attachment D)
2. Taxi Subsidy Program: Amend or eliminate ordinance 121.08 (Attachment E)
3. Sewer Rodding Reimbursement: Amend or eliminate ordinance 50.066-50.069 (Attachment F)

E. Finalize Long Range Plan

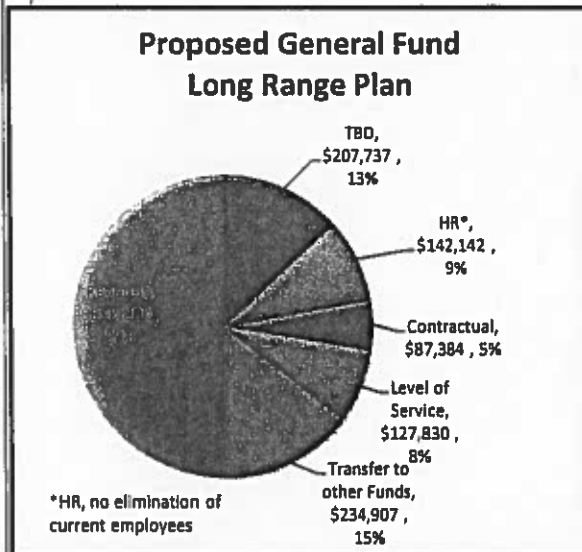
Based on decisions from the LRP workshop, if the Village Board favors, staff will request the Village Attorney to prepare the necessary ordinances and review policy changes for Village Board approval in June 2016.

A

Proposed Changes	Impact	Estimated Annual Savings
Contractual		
Deactivate the Emergency Communications Center (ECC)	The Village of Lombard used to be a backup for DuComm. However, we are no longer a backup since DuComm enhanced their technology and redundant operations over the past few years. The Fire Department can accomplish the same task in an alternate manner if the ECC was deactivated.	\$ 23,400
Remove UPS ECC Contract Maintenance from Fire budget	None, doubled in budget	\$ 2,400
Remove Murray & Trettle contract from Fire budget	None, doubled in budget	\$ 2,000
Reduce # of Verizon Air Cards in both PD & FD	Reviewed usage and determined 14 air cards could be eliminated and some air cards can be pooled.	\$ 6,324
Request to reduce Marquardt Lobbyist Fee	None, same level of service to be provided	\$ 24,000
Reduce Janitorial Services	Reduce VH and PW to 3 days/week and PD from 6 to 5 days/week	\$ 19,460
Remove Weed Treatments at Village Facilities	Grass is cut weekly	\$ 9,800
Reduce PRIDE newsletter from 6 to 4 issues per year	The cost of printing and mailing the PRIDE is \$6500 per issue. Technology has expanded the Village's options for communicating with residents. This will be vetted thru Community Relations Committee. Will provide savings in the Hotel/Motel Budget	\$ 13,000
Reduce the funding to DCVB for Illinois Advertising	Will provide savings in the Hotel/Motel Budget	\$ 7,500
		\$ 107,884
Level of Service		
Reduce # of Starcom Radios in Fire Dept from 66 to 48	One radio for each seat instead of each firefighter having their own radio. May increase the replacement schedule due to lack of ownership.	\$ 32,580
Delay Starcom Radio replacement in Police Department for 2 years	Replacement of radios was set to begin in FY17. However, the Starcom radio quality is much better than the past and Police staff determined that they start the replacements after 8 years instead of 6.	\$ 57,250
Eliminate Taxi Program Subsidy	There are alternative options for seniors in this area that provide similar services. Staff will work on a communications plan to provide this information to those who use this program prior to January 2017. This will be vetted thru Community Relations Committee.	\$ 32,000
Remove Banner Program Expansion from Budget	Will provide savings in the Hotel/Motel Budget	\$ 30,000
Reduce Winter Decoration Budget	Greenery only for poles on St. Charles Rd. Will provide savings in the Hotel/Motel Budget.	\$ 24,150
Remove Business Expo Grant	Grant not applied for in 2016. Will provide savings in the Hotel/Motel Budget	\$ 1,500
Reduce Budget for Fireworks Shuttle	Budget to FY15 expense	\$ 4,416
Reduce Police Overtime for Fireworks	None, Overtime can be reduced based on the changes to the Fireworks event. This will reduce costs in H/M Budget	\$ 5,444
Remove 101 S Main Parking Lot	Open spots available in Hammerschmidt lot and will reduce cost in Parking Fund for maintaining and resurfacing	\$ 328,550
Eliminate Early Start Clean-ups	Reduces PW overtime	\$ 6,000
Remove Sewer Rodding Reimbursement	Will be vetted thru PW Committee for Policy Change. This will reduce costs in W/S Fund	\$ 90,000
		\$ 611,890
HR		
Remove vacant Events Coordinator position	None, this position was new and not filled	\$ 20,640
Remove vacant Village Hall Records Clerk position	None, has not been filled since April 2015	\$ 17,079
Remove vacant HR Intern Position	None, look at having each department assist with helping HR	\$ 12,817
Remove 2 vacant PD CSO positions @ 27.5 hrs		\$ 74,672
Convert PD Accreditation Manager to PT (less hours)	Go from 38 hrs/week to 27.5 hrs/week	\$ 22,924
Eliminate Engineering Coop Positions	Reduce from 4 to 2 Coop Positions	\$ 11,350
Reduce Wellness Program Incentive	Currently set at max \$250. Will provide savings in Liability Fund.	TBD
Remove Qtrly Presentations by Wellness Professionals	Will provide savings in Liability Fund.	\$ 1,000

Remove Wellness Incentives & Resources budgeted in General Fund	IPBC to reimburse for some wellness incentives	\$ 3,300
Provide incentive for employees to use spouses insurance plan	Researching options compared to other municipal programs	TBD
		\$ 163,782
Transfers		
Charge % of Asst Finance Director Salary/Benefits to W/S	Remove 30% from GF and charge 30% to W/S	\$ 35,130
% of Accounting Assistant salary/benefits to parking fund	Remove 20% from GF and charge 20% to Parking	\$ 12,309
Charge % of Asst VM Salary to H/M	Remove 10% from GF and charge 10% to H/M	\$ 9,354
Charge % of VM Salary to H/M & W/S	Remove 15% from GF and charge 10% to H/M & W/S 5%	\$ 33,320
Charge 200 hours of PD Lieutenants & Sergeants to H/M for special events	Transfer	\$ 18,845
Charge 5% of Director of PW, Asst Director of PW, PW Admin Sec, Ops Superintendent, Streets/Electrical Supervisor to H/M for administration of events.	Remove 5% from GF and charge 5% to H/M	\$ 25,587
Charge 25% of HVAC Contract to Water/Sewer Fund	Remove 25% from GF and charge to W/S	\$ 1,250
Charge Operations Division Water Repairs to W/S	Approx 72 repairs @ \$1000 each	\$ 72,000
Landscape Contracts charged to S/W Fund	Remove 15% from GF and charge to W/S	\$ 18,827
Facilities Personnel charged to S/W Fund	Remove 5% from GF and charge to W/S	\$ 5,155
Increase PW Asst Director salary allocation to Community Recycling Fund	Remove 5% from GF and charge to Community Recycling	\$ 3,130

Transfers



Total Proposed Changes by Fund w/ Transfers

General Fund	\$ 592,263
Hotel Motel Fund	\$ 30,651
W/S Fund	\$ (53,469)
Liability Fund	\$ 1,000
Parking Fund	\$ 316,241
Community Recycling Fund	\$ (3,130)
	\$ 883,556

Items That Require More Research

Potential Savings

Type	Potential Savings
HR	\$ 104,816.00
Contractual	\$ 50,000.00
Level of Service	\$ 114,188.00
	\$ 269,004.00



**Village of Lombard
Communications Plan
Long Range Budget Plan**

Purpose of the Long Range Budget Plan

In an effort to be proactive the Village developed a Long Range Plan to create strategies to address the rising costs of non-discretionary expenses. The challenges we face are associated with maintaining service levels while expenses are increasing faster than revenues. The plan focuses on providing the Village with ongoing excellent commitment to core services.

In addition, the State budget proposal has not been determined and is still under negotiation. Staff will continue to monitor the State budget or other legislation that could severely impact the Village's revenues such as the state-shared income tax, motor fuel tax funding, and property taxes.

Goal

The objective of this plan is to:

- Educate the community and businesses to understand the need for the changes that the long range plan is implementing
- To provide residents with confidence in the Village's financial standing and commitment to fiscal responsibility
- To support a transparent reputation to residents, business owners, and stake holders
- Educate community on the responsibility of the Village to provide core services vs. enhanced services

The objectives:

- Communicate to the majority of residents the factors that contribute to a long term budget deficit
- Provide majority of residents and business owners with an explanation and break down of the long range budget plan
- Prepare impacted public adequately for changes approved in the long range plan*
 - Places for eating tax increase 1%
 - Policy changes for expenditure reductions
- Define core services that the Village provides and examples of non-essential enhanced services that were reviewed during the long range budget planning

*For purposes of discussion we included a 1% Places for eating increase, this has not been approved by the Village Board.

Audiences

The audience this communications plan is directed toward includes:

1. All residents
2. All businesses
3. Restaurant owners and associations
 - a. Chamber of Commerce
 - b. Lombard Town Centre
 - c. Yorktown Shopping Center
4. Village employees

Media:

1. External Media: (Lombardian, Suburban Life, Daily Herald, Tribune, etc.)
2. Village Media: Facebook, Twitter, Website
 - a. Website: www.villageoflombard.org/longrangebudgetplan
 - i. Include press releases and FAQ for easy reference point
3. Radio/TV (WBBM, ABC7, NBC5, WLS, CBS2, WGN9, FOX)
4. Internal
 - a. Department meetings
 - b. FAQ distributed to Village employees
 - c. Village Manager Coffee

Community Leaders:

1. Mayor/Board of Trustees/Village Board Committees
2. Chamber of Commerce
3. Lombard Town Centre
4. Community Service Groups (Rotary, Kiwanis, Lions, ect.)

Key Messages

- The long term budget deficit is primarily caused by increased costs related to unfunded State mandates, the rising costs of pensions, worker's compensation costs, and general inflationary increases. The projected deficit in the General Fund is not related to the status of the Lombard Public Facilities Corporation, a separate entity that was created in 2003 to build the hotel.
- An additional 1% Places for Eating tax increase would be implemented January 1, 2017. When the Places for Eating tax is increased a full 1%, ½% of revenue would go to the General Fund and ½% would be held in a separate account for a specific reason or until we have clear direction from the State on future revenues.*
 - Places for Eating tax helps alleviate the financial burden for residents, and is estimated to raise \$1.6M in 2017.

*For purposes of discussion we included a 1% Places for eating increase, this has not been approved by the Village Board.

- "Places for Eating" is defined as a place where prepared food is sold at retail for immediate consumption with seating provided on the premises, whether the food is consumed on the premises or not.
- The additional tax will generate revenue from non-residents shopping or dining in Lombard rather than requiring Lombard residents to shoulder the entire financial burden.
- Common grocery items are exempt from a Places for Eating tax, thus the impact on low and/or fixed-income households would be minimal.
- The Village of Schaumburg and the Village of Skokie currently charge a 2% Food and Beverage Tax. The Village of Schaumburg passed a 2% Food and Beverage tax in 1987 and the Village of Skokie on July 6, 2015. Both Schaumburg and Skokie have a large mall helps generate significant revenue from non-residents.
 - The Food and Beverage Tax recently passed by Village of Skokie's Board is consistent with the established Board policy of generating revenue from non-residents shopping or dining in Skokie rather than requiring Skokie residents to shoulder the entire financial burden that stems from the State's fiscal crisis, the 2008-2011 recession, municipal pension expenses, and to maintain a AAA bond rating. The Village of Skokie is projected to generate approximately \$3 million annually.
 - The Village of Schaumburg has significantly grown and is still growing the number of restaurants since implementing the 2% Food and Beverage Tax. The Director of Finance for the Village of Schaumburg said it hasn't deterred businesses from opening but they do get occasional calls from patrons regarding the tax.
- The policy changes needed for expenditure reductions approved in June by the Village Board will be included in the Fiscal Year 2017 budget.
 - Provide details on each policy changes needed to carry out the Long Range Plan (example Sewer Rodding Program, Taxi Cab program)
 - Policy that states the Village will budget conservatively (budget revenues low and expenses high) and the Multi-Year Financial Forecast will be updated annually.
- Core Services compared to Enhanced Service
 - "Core services" are those services that are generally considered by staff to be critical to essential functions of municipal operations.
 - The Village is focused on providing levels of excellence of core services including public safety provided by Police and Fire Departments; road, sewer, and water maintenance from Public Works; building and code enforcement from Community Development, and responsible long term financial planning from the Finance Department.
 - Some services have a baseline component that can be considered core (for example, refuse collection) tied to an enhanced level of service (for example, backdoor and/or twice weekly refuse collection) or service delivery method.

*For purposes of discussion we included a 1% Places for eating increase, this has not been approved by the Village Board.

- “Enhanced services” are those services that, which while still important, are more discretionary in nature and may be the product of historical service delivery, local policy and/or preference.
 - Examples of enhanced services currently provided by the Village
 - Senior Taxi Cab program
 - Downtown early start cleanups
 - Downtown banner program and holiday decorations

Action Plan

In an effort to keep residents, business, community leaders and the media informed of the Long Range Budget Plan, the Village of Lombard has/will execute an ongoing and comprehensive communications plan after Board approval, containing the following:

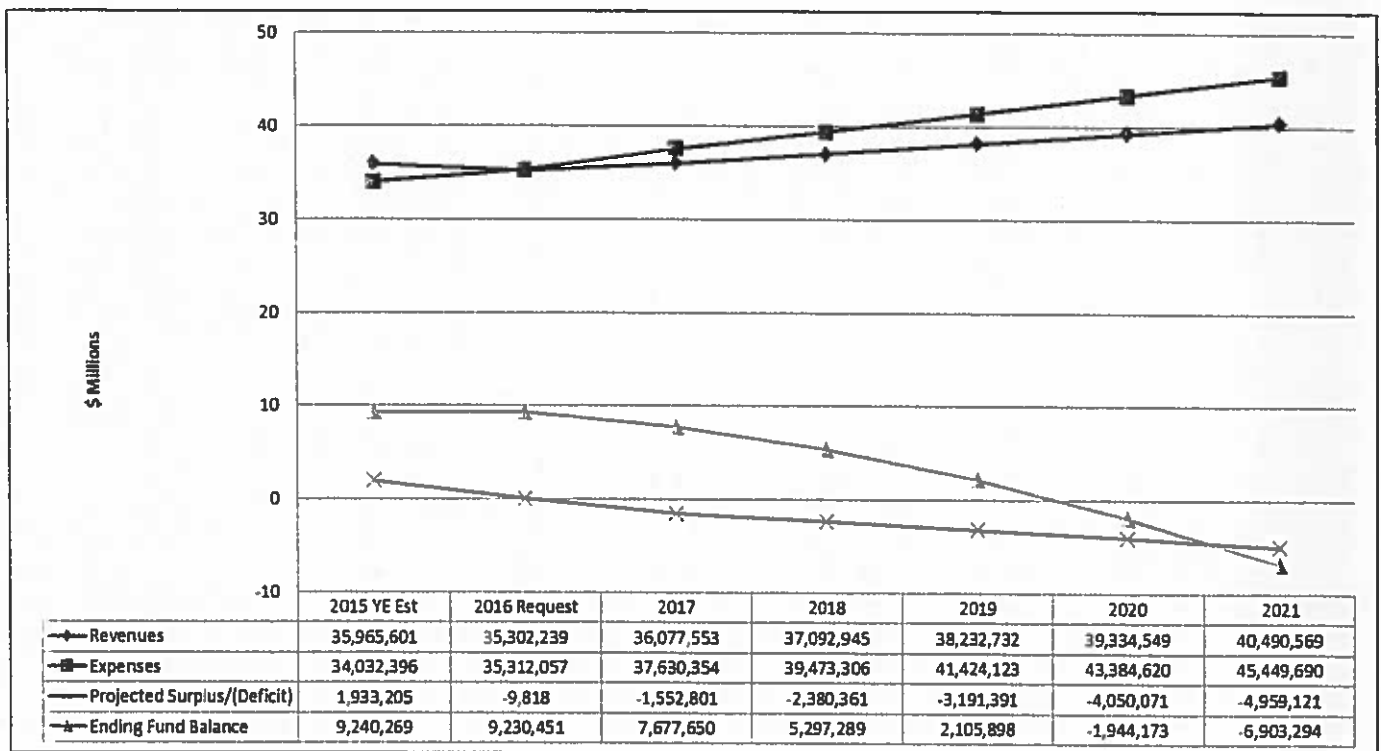
1. Work with Village Board Committees to implement the Long Range Budget Plan
2. Create FAQ sheet for employees and for resident access
3. Press Releases distributed to media and on Village communication resources
4. Village Manager attends Chamber of Commerce and Lombard Town Centre meetings
5. Include article in upcoming issue of Lombard Pride August/September

*For purposes of discussion we included a 1% Places for eating increase, this has not been approved by the Village Board.

Village of Lombard Long Range Budget Planning Employee FAQ

What is the Long Range Budget Plan?

The Long Range Budget Plan is to develop strategies to address the rising cost of non-discretionary expenses by evaluating the Village's core vs. enhanced service levels. The challenges we face are associated with maintaining service levels while expenses workers compensation, pension obligations, and unfunded State mandates are increasing faster than revenues. Below is the current 5 Year Financial Forecast that projects an estimated deficit of \$1.6M for fiscal year 2017.



In addition, there are lots of moving parts to the State budget proposal and a lot of negotiation with State leaders. It is difficult to say at this point how it will turn out, but the reductions discussed are permanent reductions and not a one-time shortfall or recession that we have to ride through. Staff will continue to monitor the State budget or other legislation that could severely impact the Village's revenues such as the state-shared income tax, motor fuel tax funding, and property taxes.

What are Core Services compared to Enhanced Service?

The Village Committees and Board of Trustees are focusing heavily on identifying core vs. enhanced service levels. The Department Heads were tasked to look for "enhanced services" that could be cut from the budget. "Core services" are those services that are generally considered by staff to be critical to essential functions of municipal operations. "Enhanced services" are those services that, while still important, are more discretionary in nature and may be the product of historical service delivery, local policy and/or preference. Some services have a baseline component that can be considered core (for example, refuse collection) tied to an enhanced level of service (for example, backdoor and/or twice weekly refuse collection) or service delivery method.

What are the proposed strategies in the Long Range Plan?

The Finance & Administration Committee has met several times to discuss long range strategic budget options to eliminate a projected \$1.6M budget deficit in 2017. Below is the strategy preferred by the Finance Committee; however, at this time a formal recommendation has not been made to the Village Board. The Finance Committee will meet on March 21, 2016 to finalize their overall recommendation for Long Rang Budget Plan. A workshop is scheduled for Village Board and Finance Committee to discuss the recommendations on April 25, 2016. More information will be available after this meeting.

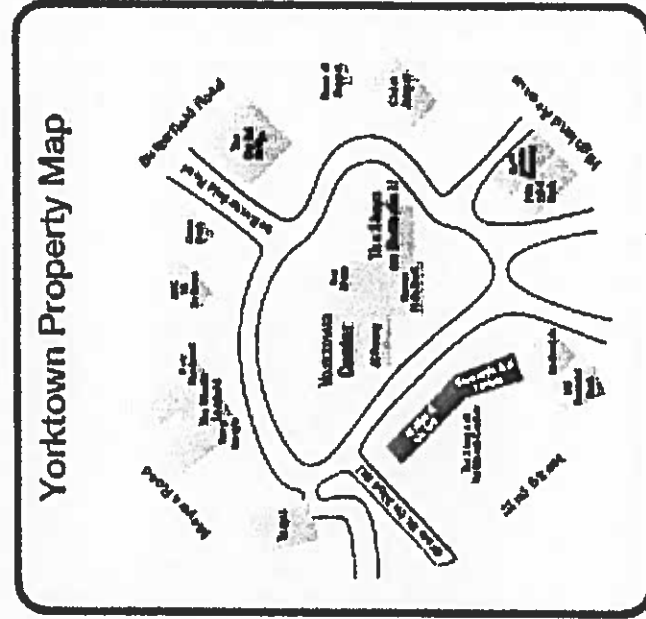
The Finance & Administration Committee prefers a 50/50 split between revenues and expenditures for balancing the budget. The Committee tasked the Village Manager and department heads make recommendations on how to come up with \$800k in expenditure reductions. In addition, The Finance Committee prefers to raise the other 50% needed to fill the budget gap by increasing the Places for Eating tax a full 1%. If the Places for Eating tax is increased a full 1%, ½% of revenue would go to the General Fund and ½% would be held in a separate account for a specific reason or until we have clear direction from the State on future revenues.

Will this affect the number of employees we have?

We are currently reigning in expenses to provide excellent core services to the Village's residents and businesses. People are the biggest expense the Village has – it is how we provide services. It is also the most valuable resource we have.

Currently there are 8 full time positions vacant. The proposed expenditure reductions do not affect current employees, only vacant positions. The Village will monitor the State budget decisions and will then prioritize filling positions.

	Skokie		Village of Schaumburg		Mount Prospect		Village of Lombard	
	Cook County	DuPage County	Cook County	DuPage County	Cook County	Cook County	DuPage County	Business District DuPage County*
TAX ON GENERAL MERCHANDISE								
State of Illinois	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cook County	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Du Page County	1.00%	1.00%	0.75%	0.75%	1.00%	1.00%	0.75%	0.75%
Regional Transportation Authority	1.25%	1.00%	1.00%	1.00%	1.00%	1.00%	0.25%	0.25%
DuPage Water Commission	1.25%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village Sales Tax								
Village Home Rule Sales Tax								
Village Non-Home Rule Sales Tax								
Village Business District Tax								
Cook County Home Rule Sales Tax	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.00%	1.00%
TOTAL TAX ON GENERAL MERCHANDISE	10.50%	10.00%	8.00%	8.00%	10.00%	10.25%	8.25%	9.25%
*PREPARED FOOD & BEVERAGE OR PLACES FOR EATING TAX (PFE)	2.00%	2.00%	2.00%	2.00%	1.00%	1.00%	1.00%	1.00%
TOTAL TAX ON PREPARED FOOD AND BEVERAGE OR PFE	12.50%	12.00%	10.00%	10.00%	11.00%	11.25%	9.25%	10.25%



*Restaurants in BID with PFE tax:
 Armand's Pizzeria, Brio Tuscan Grille, Capital Grille, D O C Wine Bar, Flat Top Grill,
 Noodles & Company, RA Sushi Bar, Rock Bottom Brewery, Tom & Eddie's

D

Places for Eating Tax

Q. Are there any municipalities in the area charging a 2% Food and Beverage Tax?

A. The Village of Schaumburg and the Village of Skokie charge a 2% Food and Beverage Tax. The Village of Schaumburg passed a 2% Food and Beverage tax in 1987 and the Village of Skokie on July 6, 2015. Both Schaumburg and Skokie have a large mall helps generate significant revenue from non-residents.

The Food and Beverage Tax recently passed by Village of Skokie’s Board is consistent with the established Board policy of generating revenue from non-residents shopping or dining in Skokie rather than requiring Skokie residents to shoulder the entire financial burden that stems from the State’s fiscal crisis, the 2008-2011 recession, municipal pension expenses, and to maintain a AAA bond rating. The Village of Skokie is projected to generate approximately \$3 million annually.

The Village of Schaumburg has significantly grown and is still growing the number of restaurants since implementing the 2% Food and Beverage Tax. The Director of Finance for the Village of Schaumburg said it hasn’t deterred businesses from opening but they do get a couple of calls a week from patrons regarding the tax.

If the Village Board approves an increase, staff would develop an intensive plan to communicate with businesses. The Village would meet with businesses over several months throughout 2016.

Places for Eating (Food & Beverage) Tax: Currently at 1% and the 2016 projected revenue is \$1,619,170. The analysis below uses data from the DMMC 2013-2014 Tax Rates & Revenue Survey.

What if Analysis (\$ Inc)				
Municipality	Food & Beverage	2013-2014	2%	3%
Burr Ridge	1%	\$ 279,731	\$ 559,462	\$ 839,193
Claredon Hills	1%	\$ 91,942	\$ 183,884	\$ 275,826
Glendale Heights	1%	\$ 470,548	\$ 941,096	\$ 1,411,644
Hinsdale	1%	\$ 341,187	\$ 682,374	\$ 1,023,561
Lombard	1%	\$ 1,405,004	\$ 2,810,008	\$ 4,215,012
Willowbrook	1%	\$ 473,424	\$ 946,848	\$ 1,420,272
Naperville	1.25%	\$ 4,548,671	\$ 7,277,874	\$ 10,916,810
Villa Park	1.50%	\$ 537,365	\$ 540,052	\$ 1,074,730
Westmont	1.50%	\$ 527,222	\$ 529,858	\$ 1,054,444
Schaumburg	2%	\$ 8,718,015	\$ 8,718,015	\$ 13,077,023
Hanover Park	3%	\$ 1,036,661	NA	\$ 1,036,661

§ 98.111 - Tax on the gross receipts of places for eating.

(A) Definitions:

For the purposes of this § 98.111, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

Gross receipts means the consideration received, valued in money, whether received in money or otherwise, including cash, credits, property and services, at a place for eating for prepared food furnished at the place for eating. Gross receipts do not include amounts paid for federal, state and local taxes, including the tax levied by this § 98.111, and do not include amounts paid as gratuities for the employees of the place for eating.

Owner means any person having an ownership interest in or conducting the operation of a place for eating.

Person or persons means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, club, fraternal organization or a receiver, executor, trustee, conservator or other representative appointed by order of any court. Places for eating or place for eating

- (a) Places for eating or place for eating means all premises located within the corporate limits of the Village of Lombard where prepared food is sold at retail for immediate consumption, with seating provided for consumption of said prepared food on the premises, whether consumed on premises or not, and whether or not such places for eating use is conducted along with any other use(s) in a common premise or business establishment.
- (b) Places for eating or place for eating includes, but is not limited to, those establishments commonly called a restaurant, eating place, drive-in restaurant, buffet, bakery, banquet facility, cafeteria, café, lunch counter, fast food outlet, catering service, coffee shop, diner, sandwich shop, soda fountain, bar, cocktail lounge, soft drink parlor, ice cream parlor, tea room, delicatessen, hotel, motel, or club, or any other establishment which sells at retail prepared food for immediate consumption.

Prepared food means and includes any solid, liquid (including both alcoholic and non-alcoholic liquid), powder or item used or intended to be used for human internal consumption, whether simple, compound or mixed, and which has been prepared for immediate consumption.

Sold at retail means to sell for use or consumption in exchange for a consideration, whether in the form of money, credits, barter or any other nature, and not for resale, with said transaction being subject to either the Illinois Retailers' Occupation Tax (35 ILCS 120/1 et seq.) or the Illinois Service Occupation Tax (35 ILCS 115/1 et seq.)

(B) Tax imposed:

- (1) There is hereby levied and imposed upon owners of places for eating a tax at the rate of one percent of gross receipts received for prepared food sold at retail by the owner on or after June 1, 2003.
- (2) The owner of a place for eating may collect an amount from persons who purchase prepared food at the place for eating which shall reimburse the owner for the tax imposed on the owner by this § 98.111.
- (3) The tax levied by this § 98.111 shall be paid in addition to any and all other taxes and charges.
- (4) In the event the prepared food is sold at retail on credit, an owner shall not be liable for payment of the tax imposed by this § 98.111 on such a sale until he/she/they/it receives payment for the sale.

(C) Books and records; inspection; contents:

The Village Finance Director, the Village Treasurer or any person designated by either of them as their deputy or representative, may enter the premises of any place for eating for inspection, examination, copying and auditing of books and records including, but not limited to, Illinois Retailers' Occupation Tax and Illinois Service Occupation Tax returns filed with the Illinois Department of Revenue, in order to effectuate the proper administration of this § 98.111, and to assure the enforcement of the collection of the tax imposed by this § 98.111. To the extent reasonably possible, said entry shall be done in a manner that is least disruptive to the business of the place for eating. It shall be unlawful for any person to prevent, hinder, or interfere with the Village Finance Director, the Village Treasurer or their duly designated deputies or representatives in the discharge of their duties in the performance of this subsection. It shall be the duty of every owner to keep accurate and complete books and records to which the Village Treasurer, the Village Finance Director or their deputies or representatives shall at all times have full access, which records shall include a daily sheet showing the amount of gross receipts received during the day.

(D) Transmittal of tax revenue by owner; delinquency:

- (1) The owner or owners of each place for eating shall file tax returns showing the gross receipts received during each calendar month period upon forms prescribed by the Village Finance Director. Returns for each calendar month shall be due on or before the 20th day of the next calendar month, (e.g. the return for January shall be due on or before the 20th day of February; the return for February shall be due on or before the 20th day of March; etc.). Notwithstanding the foregoing, in the event that the owner of the place for eating is allowed to file Illinois Retailers' Occupation Tax and Illinois Service Occupation Tax returns with the Illinois Department of Revenue at intervals which are greater than monthly, said owner shall be allowed to file tax returns relative to the tax imposed by this § 98.111 with the village at said greater intervals. At the time of the filing of said tax returns, the owners shall pay to the Village Treasurer all taxes due for the period to which the tax return applies.
- (2) If, for any reason, any tax due pursuant to this § 98.111 is not paid when due, penalties and interest thereon shall be imposed in accordance with the provisions of § 98.111 of this Code.
- (3) Owners filing tax returns pursuant to this subsection shall, at the time of filing such return, pay to the village the amount of the tax imposed by this § 98.111, less a commission of one percent of the amount of the tax, which is allowed to reimburse the owners for the expenses incurred in keeping records, billing, preparing and filing returns, remitting the tax and supplying data to the village upon request. No commission may be claimed by an owner for taxes not timely remitted to the village.

(E) Transmittal of excess tax collections:

If any person collects an amount upon a sale not subject to the tax imposed hereby, but which amount is purported to be the collection of said tax, or if a person collects an amount upon a sale greater than the amount of the tax so imposed herein and does not for any reason return the same to the purchaser who paid the same before filing the return for the period in which such occurred, said person shall account for and pay over those amounts to the village along with the tax properly collected.

(F) Registration:

Every owner maintaining a place for eating in the village shall register with the Finance Department by June 1, 2003 or the date of becoming such an owner, whichever is later.

(G) Collection:

Whenever any person shall fail to pay the tax imposed by this § 98.111, the Village Attorney or Village Prosecutor shall, upon request of the Village Manager, bring or cause to be brought an action to enforce the payment of said tax on behalf of the village in any court of competent jurisdiction.

(H) Suspension of licenses:

If the Village Manager, after a hearing held by him or for him by his designee, shall find that any owner has willfully avoided the payment of any tax imposed by this § 98.111, he/she may suspend or

revoke all village licenses held by such tax evader. The owner shall have an opportunity to be heard at such hearing to be held not less than ten days after being mailed notice of the time when and the place where the hearing is to be held, addressed to him at last known place of business. Any suspension or revocation of any license(s) shall not release or discharge the owner from his civil liability for the payment of the tax nor from prosecution for such offense.

(I) Penalties:

- (1) Any person found guilty of violating, disobeying, omitting, neglecting, or refusing to comply with or unlawfully resisting or opposing the enforcement of any of the provisions of this § 98.111, except when otherwise specifically provided, upon conviction thereof shall be punished by a fine of not less than \$200.00 nor more than \$750.00 for the first offense, and not less than \$500.00 nor more than \$750.00 for the second and each subsequent offense in any 180-day period.
- (2) Each day upon which a person shall continue any violation of this § 98.111, or permit any such violation to exist after notification thereof, shall constitute a separate and distinct offense.
- (3) Any owner subjected to the penalties provided for by this subsection shall not be discharged or released from the payment of any tax due.

(J) Separability:

If any subsection, sentence, clause, or phrase of this § 98.111, or the application thereof to any person or circumstance, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision and such holding shall not affect the validity of the remaining portions of this § 98.111, or the application of such portion to other persons or circumstances.

(Ord. 5283; passed 4/17/03)



E

Village of Lombard Taxi Subsidy Program

Program Guidelines:

- Participants must purchase an ID card for \$4.
- Replacement ID cards are an additional \$4.
- Taxi Subsidy Program Participants are entitled to purchase up to two (2) books of coupons each month.
- Each book is valued at \$26.00 and contains thirteen \$2.00 coupons.
- Books are sold at a cost of \$5.00 each to program participants, expire within one year of issue and cannot be refunded.
- **Coupons may not be used for rides to Midway or O'Hare airports, Casinos or Downtown Chicago (rides to Downtown Chicago will be allowed with a Doctor's letter on the Doctor's Stationary on file with the Village and previously approved by the Village.)**
- Participants are not limited as to the number of coupons they may use during any given ride.

Participation Requirements:

- At least 65 years old or a person with a disability.
- A Village of Lombard resident.

To Register:

Qualified residents must personally register for the program at the Village Hall. Proof of age or disability is required. A taxi program ID will be issued and a \$4 registration fee is required at time of registration.

Village of Lombard Hours:

Monday	8:00 a.m. – 7:00 p.m.
Tuesday	8:00 a.m. – 4:30 p.m.
Wednesday	8:00 a.m. – 4:30 p.m.
Thursday	8:00 a.m. – 4:30 p.m.
Friday	8:00 a.m. – 4:30 p.m.

For more information about the Taxi Subsidy Program, please call the Village of Lombard at 620-5700 (620-5812 TDD).

Village of Lombard Licensed Taxi Service Providers:

- 303 Taxi 630-588-0303
- AAA Universal Taxi 630-617-5400
- All Star Cab Dispatch 847-658-1555
- American Taxi 630-920-9480
- Center Ice Taxi 630-278-0433
- Citi-Suburban Taxi 630-495-5555
- Flat Rate Taxi 866-977-3528
- Metro Yellow Cab 847-526-2227
- MPT – My Personal Taxi & Livery 630-338-3403
- Oak Brook Taxi/Limo 708-732-0296
- People Cab & Limo 708-544-3494
- Suburban Yellow Taxi 630-340-7521
- The One Taxi 630-707-9421

Participants must arrange for taxi service directly with the company.
Let the dispatcher know that you are using Lombard Subsidy
Coupons in lieu of cash payment.

Coupons by Mail:

Once registered, participants may purchase coupon books each month at the Village Hall or through the mail by sending a check for \$5 for one book/ \$10 for two books and a self addressed stamped envelope to:

Taxi Subsidy Program
Village of Lombard
255 E. Wilson Avenue
Lombard, IL 60148

Travel Information:

Residents using the Lombard Taxi Subsidy Program may travel **beyond Village limits** and use the coupons toward the total cost of the ride. There is no limit on the number of coupons you may use for any ride. There is no additional charge for crossing outside of Village limits, however the per mile rate may increase for travel beyond a town not adjacent to Lombard (not including travel to O'Hare or Midway airports). Participants may use taxi service anytime of the day or night.

Rates:

As of April 2009, the following maximum rates apply:

- ❖ \$4.00 initial flag pull and the first mile or fraction thereof.
- ❖ \$0.20 for the first one-tenth mile or fraction thereof in excess of the first mile.
- ❖ Travel to towns not adjacent to Lombard (excluding the airports, casinos, and downtown) will be charged.
- ❖ \$0.40 for each minute of waiting time.
- ❖ \$1.00 for each additional passenger over 12 years of age, per flag pull. Additional passengers picked up subsequent to an original flag pull will be charged the prorated meter amount.
- ❖ Any and all toll road fees shall be added to the fare.
- ❖ Minivan requests will incur an \$8.00 charge in addition to the above fares.

Complaints:

Let the driver know of the concern and notify the Village as soon as possible.

When reporting a concern, it is extremely helpful to have the:

- Name of the taxi company
- The driver's name
- The cab number and/or the license plate number

Concerns should be directed to the Village Hall at 620-5913 (TDD 620-5812).

For more information on Senior Services in your area, please call your Township Office:

York Township	(630) 627-3354
Addison Township	(630) 530-8161
Milton Township	(630) 690-9036

§ 121.08 - Taxi subsidy program.

The Taxi Subsidy Program (hereinafter the "program"), which provides assistance to senior citizens and people with disabilities relative to Taxicab rides within and outside of the village, shall be subject to the following criteria.

- (A) That senior citizens as hereby referred to in this program refers to village residents 65 years of age or above;
- (B) That people with disabilities as hereby referred to in this program refers to village residents who hold or are qualified to hold special user permits issued by the Regional Transportation Authority;
- (C) That senior citizens and people with disabilities be issued photo identification cards for the program;
- (D) That the cost to be paid for by the senior citizens or people with disabilities for the photo identification cards be \$4.00 for each new and/or replacement card;
- (E) That senior citizens and people with disabilities participating in the program be required to display their photo identification card to the taxi operator upon the start of each taxi ride;
- (F) That participation in the program shall not in any way limit the number of taxicab rides that senior citizens or people with disabilities can take.
- (G) That the village shall offer up to two packets of \$26.00 worth of taxi coupons each, per month per program participant, at a cost of \$5.00 per packet to each Program participant; provided however, that additional packets may be purchased upon receipt of a letter, (on a monthly basis), on the letterhead of the provider of medical care to the program participant, indicating the program participant's need for frequent medical visits during any given month, so as to allow the taxicab rides relative to said medical visits to be paid for with taxi coupons.
- (H) All Business Licensees shall participate in the Program. All Business Licensees under this Chapter, whether operating Taxicabs equipped with a Taximeter or equipped with a GPS device approved by the village for calculating the mileage of a trip, shall comply with the following:
 - (1) Program coupons shall be accepted in lieu of cash at the rate of \$2.00 per coupon;
 - (2) There shall be no limit to the number of Program coupons that may be used by a passenger for any given taxicab ride;
 - (3) Log sheets supplied by the village must be completed legibly by the taxi operator when program coupons are used to pay for a taxicab ride and shall include the signature of the passenger using said program coupons;
 - (4) Taxi operators must turn in the log sheets and program coupons to the business licensee;
 - (5) After verifying that the log sheets are complete, the business licensee shall submit the log sheets and the program coupons received from the business licensee's taxi operators to the village's finance department at least once each month;
- (I) Taxi coupons issued in relation to the program may not be used for taxicab rides to:
 - (1) O'Hare Airport;
 - (2) Midway Airport;
 - (3) Downtown Chicago; or
 - (4) Any gambling casino.

Notwithstanding the foregoing, taxi coupons may be used for a taxicab ride to Downtown Chicago if the taxicab ride is for the purpose of a doctor visit, and the individual using said taxi coupons has a note from the doctor, on the doctor's stationary, confirming the date, time and place of the appointment.

(Ord. 6323, passed 4/16/09)

Restoration Policy

Weather permitting, the Public Works Department restores any Village utility digs and slump removals with sidewalk, driveway apron (asphalt or concrete), and seed according to the schedule listed below. A minimum period of 60 days is provided to allow the area to settle. Fall and winter work (September 1st to January 31st) is restored the next year. A temporary asphalt patch is placed on aprons that miss the cold-weather deadline. Village utility digs will be leveled off within 15 days after the initial repair (weather allowing). Please direct any questions to the Public Works Department at publicworks@villageoflombard.org or (630) 620-5740.

Dig Date	Trench Settles to	Asphalt or Concrete	Seed
2/1-2/28	5/1	5/31	6/30
3/1-3/31	6/1	6/30	7/31
4/1-4/30	7/1	7/31	8/31
5/1-5/31	8/1	8/31	9/30
6/1-6/30	9/1	9/30	10/31
7/1-7/31	10/1	10/31	11/30
8/1-8/31	11/1	11/15	11/30
9/1-1/31	4/1	4/30	5/15

Tips for cleaning after a sewer back up

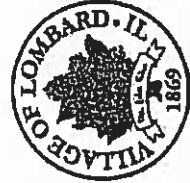
1. Remove children and pets from the area where the sewage back-up occurred. They are especially vulnerable to harmful bacteria and viruses found in raw sewage.
2. Dress in protective clothing such as a long sleeved shirt and pants, rubber gloves, rubber boots, eye goggles and a face mask during clean up. Dispose of all these items after clean up.
3. Open all windows and doors to help increase ventilation.
4. Check for any electrical hazards, gas leaks or toxic materials that may be present before attempting to clean up a sewage backup. Seek the help of a professional if necessary.
5. Remove all furniture, rugs and household items that can be salvaged from the area where the sewage backup occurred. Clean them thoroughly with a mixture of one gallon of warm water and a tablespoon of bleach.
6. Dispose of any furniture, rugs and household items that have been saturated by liquid or wastes from the sewage backup and are unable to be cleaned, disinfected and sanitized.
7. Use a broom and shovel to pick up solid wastes. Dispose of them in a heavy-duty garbage bag.
8. Use hot water and a mild detergent to clean any hard surfaces, such as wood, hardwood floors, concrete, metal and linoleum. Add a tablespoon of bleach to one gallon of warm water and thoroughly rinse hard surfaces. Allow hard surfaces to air-dry.
9. Remove and dispose of any paneling, drywall, lath or plasterboard that have been saturated by liquid. You can replace these items once the area has completely dried.
10. Use a mop to dry any excess liquid from the sewage backup. According to cityofdearborn.org, a wet vacuum may only be used if it's plugged into a ground fault-equipped outlet or fault circuit interrupter. Dispose of liquid inside of a sewage system only, not a storm drain, warns Workers Health Centre.
11. Allow floors and surfaces to dry thoroughly before replacing carpeting, furniture, drywall or any other items. This is to prevent mold from developing. According to Workers Health Centre, it may take up to 30 days for everything to dry completely.

Source: http://www.ehow.com/how_5911745_clean-up-after-sewage-backups.html

**Sewage in your
basement?**

**Village of Lombard
Public Works Department**

1051 S. Hammerschmidt Avenue
Lombard, IL 60148
Phones: (630) 620-5740
Email: publicworks@villageoflombard.org



What do I do?

Your first step should be to call the Public Works Department at (630) 620-5740. The Department hours are 8:00 a.m. to 4:30 p.m. If you have a sewer backup after hours you can call the Police Department non-emergency at (630) 873-4400.

A Public Works employee will take your information; name, address, etc. and dispatch your call to the Underground Utilities Division. A member of that division will contact you as quickly as possible. They will ask you some preliminary investigatory questions on the phone to determine the

next course of action. If it is thought that it could be an issue with the Village's sewer main, a crew will be dispatched to further investigate. If it is determined that it is most likely a blockage in your sewer lateral, you will be instructed to contact a plumber to rod the line. You may use a plumber of your choice or the Village representative can give you contact information phone to determine the next course of action. If it is thought that it could be an issue with the Village's sewer main, a crew will be dispatched to further investigate. If it is determined that it is most likely a blockage in your sewer lateral, you will be instructed to contact a plumber to rod the line. You may use a plumber of

your choice or the Village representative can give you contact information for the plumber currently under contract with the Village for rodding services. If you choose to use your own plumber a representative from the Village must witness the rodding to verify the distance to the blockage.

Please note, televising the line does not take the place of a Village representative witnessing the rodding. Televising or flushing is not eligible for reimbursement by the Village.

Who pays?

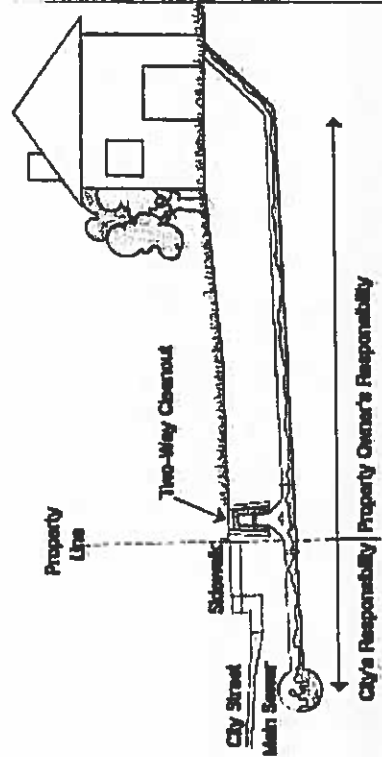
Homeowners are responsible for the cost of rodding the service line if the blockage is on private property or determined to be a cleaning.

If the blockage is in the Village right-of-way and caused by tree roots or a collapsed pipe, the Village will reimburse for the cost of the rodding. The Village will only reimburse for the rodding if the plumber under contract with the Village performed the rodding, or if the rodding was witnessed by a Village employee. If you do use your own plumber, and the rodding qualifies for reimbursement, the bill from the plumber will have to be submitted to the Public Works Department. The reimbursement amount will be based upon the rate charged by the plumber under contract with the Village. Any amount that exceeds that rate will not be reimbursed by the Village.

Who repairs the sewer line?

If the blockage is within the Village right-of-way and service can not be restored, the Public Works Department will perform the necessary repairs. Landscape and/or hardscape restoration will follow within the next 120 days. If service can be restored the Village will not schedule any work or repairs unless a second backup occurs within 12 months.

If the blockage is on private property the homeowner will decide whether or not to repair it. A permit is needed from the Building Division for any work or repairs on private property. They can be contacted at (630) 620-5750 for further information.



"ARTICLE V. - MAINTENANCE OF SEWER STUBS

§ 50.065 - Definitions.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

Cleaning. The rodding, flushing, or scouring of the inside of the sewer service line to remove obstructions or blockages caused by, or as a result of the actions of the property owner.

Mechanical rodding. The process of unclogging a private sewer service and/or sewer stub with a sectional or drum style machine with steel cable and cutter head.

Private sewer service. That portion of the sewer service line from the sewer stub to the building connection.

Property owner. The owner or occupant of any building located within the village.

Public right-of-way. Real property which has been formally dedicated for right-of-way purposes, is subject to an easement for right-of-way purposes or is subject to a public utility easement.

Repair. The removal and replacement, alteration, or mending of the structure of the sewer service line, including necessary earth work, pavement replacement, and landscape restoration.

Sewer service line. The sewer line running from the main sewer line under the jurisdiction of the village to the building connection.

Sewer stub. That portion of the sewer service line, that lies within the public right-of-way.

('70 Code, § 13.13.010) (Ord. 2343, passed 10-25-79; Ord. 6244, passed 10/2/08)

§ 50.066 - Intent.

It is the intent of §§ 50.065 through 50.069 of this Code to set forth the circumstances under which, and the procedures pursuant to which, a property owner can be reimbursed for, or the village will be billed directly for, the cost of the mechanical rodding of the sewer service line.

('70 Code, § 13.13.020) (Ord. 2343, passed 10-25-79, Ord. 4064, passed 7/20/95; Ord. 6244, passed 10/2/08)

§ 50.067 - Eligibility.

Any property owner, that requires the mechanical rodding of a sewer service line, shall be eligible to have the cost of said mechanical rodding paid for, or reimbursed, by the village, as provided for in § 50.068 of this Code. There shall, however, be no payment/reimbursement for a mechanical rodding that constitutes a cleaning or for a repair of a private sewer service.

('70 Code, § 13.13.030) (Ord. 2343, passed 10-25-79, Ord. 4064, passed 7/20/95; Ord. 6244, passed 10/2/08)

§ 50.068 - Procedure.

(A) Any property owner who desires to possibly have the village pay for the cost of the mechanical rodding of a sewer service line shall comply with and abide by the following requirements:

- (1) The owners shall notify the Public Works Department of a sewer backup in progress.
- (2) The village will verify that the backup is not as a result of a problem with the main sewer line under the jurisdiction of the village. If the backup is not as a result of a problem with the main sewer line, the property owner shall either contact the plumber under contract with the village, or hire a plumber of the property owner's choosing, to perform a mechanical rodding. A

representative of the village must be present to witness the mechanical rodding for plumbers not under contract with the village.

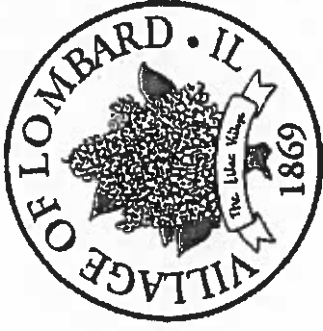
- (3) If mechanical rodding clears the sewer service line, and roots or a collapsed pipe in the sewer stub were not the problem, the mechanical rodding shall be deemed a cleaning, no monetary reimbursement shall be made to the property owner as a result of the mechanical rodding, and the property owner shall be responsible for paying the plumber for the cost of the said mechanical rodding.
 - (4) If the mechanical rodding reveals that the sewer backup was a result of roots or a collapsed pipe in the sewer stub, and the property owner has hired the plumber under contract with the village, the plumber under contract with the village shall bill the village for the cost of the mechanical rodding at the price as set forth in said plumber's contract with the village.
 - (5) If the mechanical rodding reveals that the sewer backup was a result of roots or a collapsed pipe in the sewer stub, and the property owner has hired a plumber other than the plumber under contract with the village, the village shall reimburse the property owner for the actual cost of the mechanical rodding, not to exceed the amount that would have been charged by the plumber under contract with the village.
- (B) A repair to the sewer stub shall be performed by the village, unless the Public Works Department authorizes the plumber chosen by the property owner to perform said repair in conjunction with a repair to the private sewer service, with any repair to the sewer stub being at the village's cost. A repair to the private sewer service shall be performed by a plumber chosen by the property owner at said property owner's cost.

('70 Code, § 13.13.040) (Ord. 2343, passed 10-25-79, Ord. 4064, passed 7/20/95; Ord. 6244, passed 10/2/08)

§ 50.069 - Appeal to board of trustees.

Any property owner who disagrees with the determination of the Public Works Department as to whether payment/reimbursement is in order relative to the mechanical rodding of a sewer service line, may take an appeal to the Village Board by submitting a letter of request to the Village Clerk within ten days of the date of the decision of the Public Works Department not to pay for/reimburse the cost of the mechanical rodding of the sewer service line. Upon receipt of such letter, the Village Clerk shall place the matter on the next Village Board regular meeting agenda for consideration by the Village Board. No change in the Public Works Department's determination shall be approved by the Village Board unless it is approved by the favorable vote of two-thirds of all members of the Village Board.

('70 Code, § 13.13.050) (Ord. 2343, passed 10-25-79, Ord. 4064, passed 7/20/95; Ord. 6244, passed 10/2/08)"



Long Range Budget Plan Village of Lombard

Scott Niehaus
Village Manager

Tim Sexton
Finance Director

Agenda

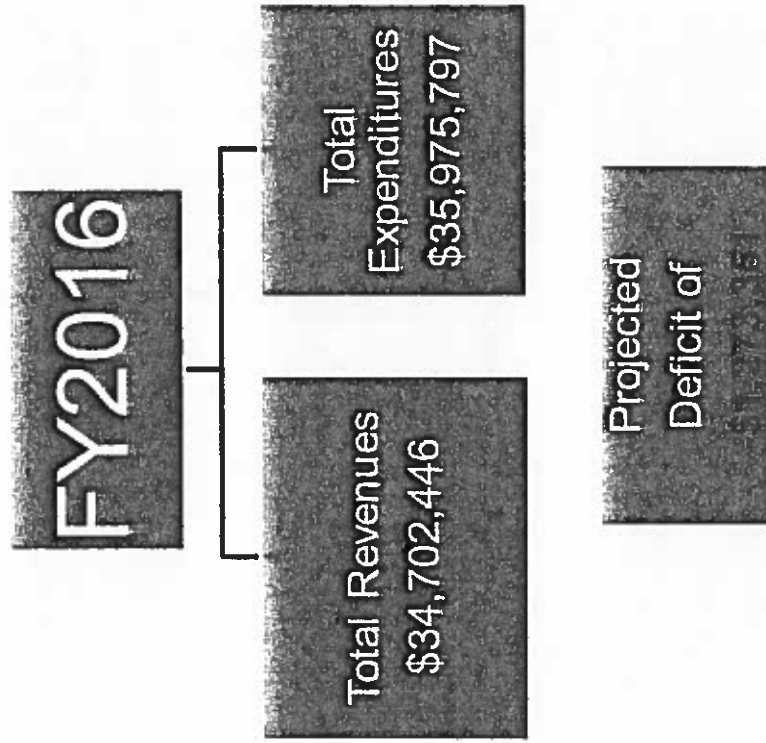
- ▶ Purpose
- ▶ FY 2016 General Fund Operating Budget
- ▶ 2016 Long Range Budget Planning Schedule
- ▶ Revenue & Expense Assumptions
- ▶ Current 5 Year Financial Forecast
- ▶ Long Range Planning Budget Discussions & Preferences
- ▶ Staff Proposed Expenditure Reductions
- ▶ Summary

Purpose of the Long Range Budget Plan

- ▶ During the Fiscal Year 2016 budget meetings, there was considerable discussion about aligning revenues with expenses in order to eliminate future year deficits. The Long Range Plan is to develop strategies to address the rising cost of non-discretionary expenses.
- ▶ The FY16 Budget was prepared during a time of financial uncertainty at the State level and reflects the challenges associated with maintaining service levels while expenses are increasing faster than revenues.
- ▶ The FY16 Budget was developed with the assumption that the State of Illinois budget will not significantly change the Village's revenues. Staff will continue to monitor the State budget or other legislation that could severely impact the Village's revenues such as the state-shared income tax, motor fuel tax funding, and property taxes.
- ▶ Currently there are 12 full time positions vacant. The Village will monitor the State budget decisions and will then prioritize filling positions.
- ▶ Presentations are being done for all Village Committees to familiarize each of the Committees with the current financial situation for the Village, as there may be items that are referred to Committees in the future for further vetting.

FY2016 Budget (as of 9/15/15)

- The FY16 Budget reflects the following recommendation by the Finance and Administration Committee in order to eliminate the FY16 deficit of \$1,273,351 in the General Fund.



Use 25% of 2015 Projected Revenues over Expenses
\$469,615

Freeze or Fill Personnel by Priority in 2016 with no Additional Reduction in Current Staffing Levels as of September 21, 2015.
\$596,235

Increase Revenues
\$140,000

Decrease Expenses
\$67,500

2016 Long Range Budget Planning Schedule

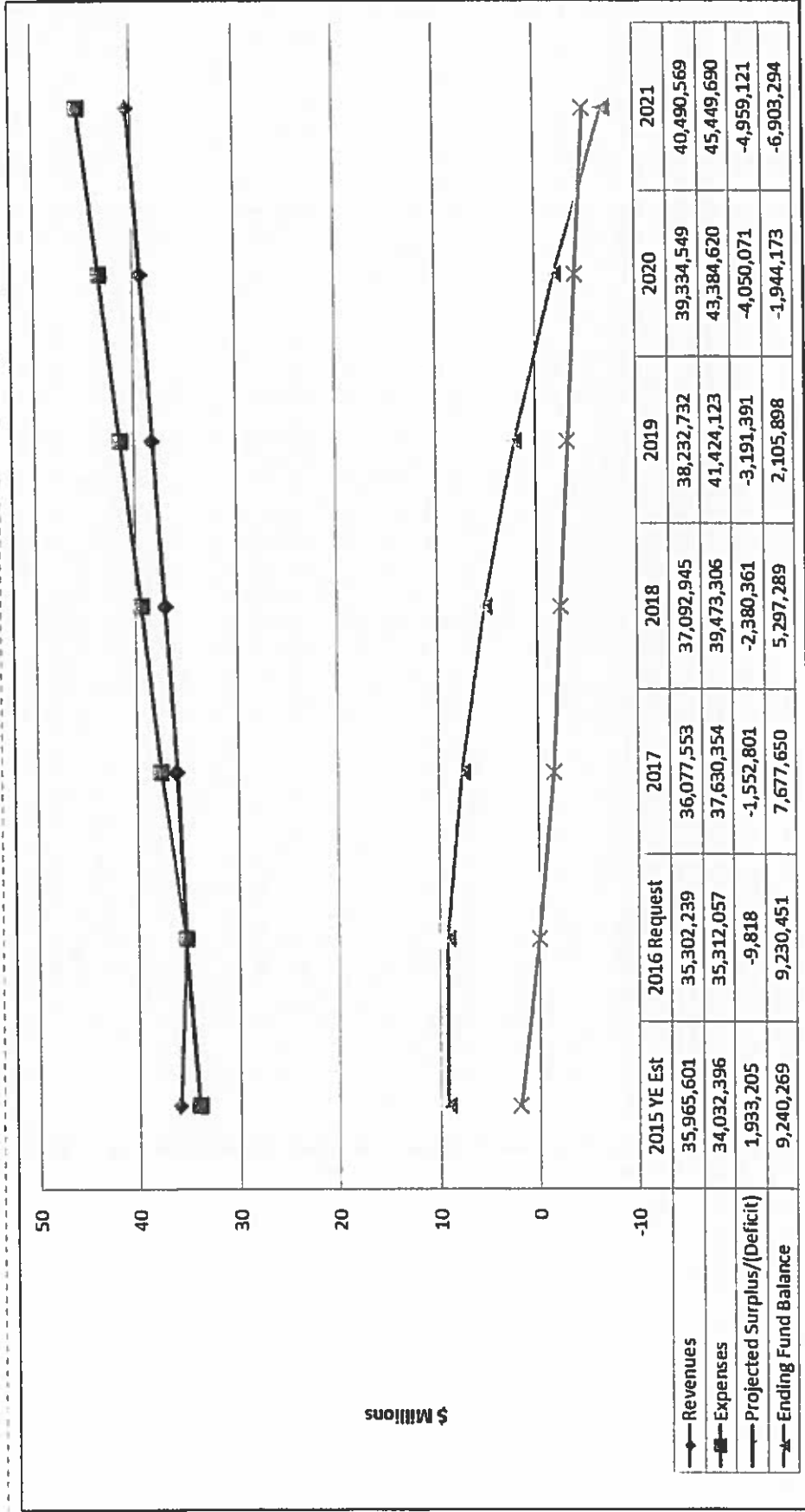
November 30, 2015	F&A: Review budget options and develop list of questions
January 25, 2016	F&A: Develop overall strategy and recommend revenue option(s)
February 22, 2016	F&A: Recommend expense reduction(s)
March 21, 2016	F&A: Finalize overall recommendation to Village Board
April 25, 2016	Village Board: Workshop to discuss F&A recommendation
June 16, 2016	Village Board Workshop: Approve Long Range Budget Plan
August 15, 2016	BOT Budget Review #1
August 22, 2016	BOT Budget Review #2

Long Range Budget Plan

Revenue & Expenditure Assumptions

Revenue Assumptions	Expenditure Assumptions
▶ <u>3.0% annual growth</u>	▶ <u>Increases</u>
▶ Property Tax (assumed max levy per statute)	▶ Salary progressions: 4%
▶ Income Tax	▶ Health insurance: 7.5%
▶ Amusement Tax	▶ Retirement benefits:
▶ Fees, fines, licenses, and permits	▶ IMRF 4%
▶ <u>1.5% annual growth</u>	▶ Police & Fire Pension 7.5-9.0%
▶ Sales, Use, & Places For Eating taxes	▶ Technology Reserve: 1.5%
▶ <u>0.0% annual growth for Utility Tax</u>	▶ Fleet Services: 3%
▶ Gas	(Includes fuel, labor costs, and parts)
▶ Electric	▶ All other costs: 3%
▶ Telecommunications	

Current 5 Year Multi-Year Financial Forecast



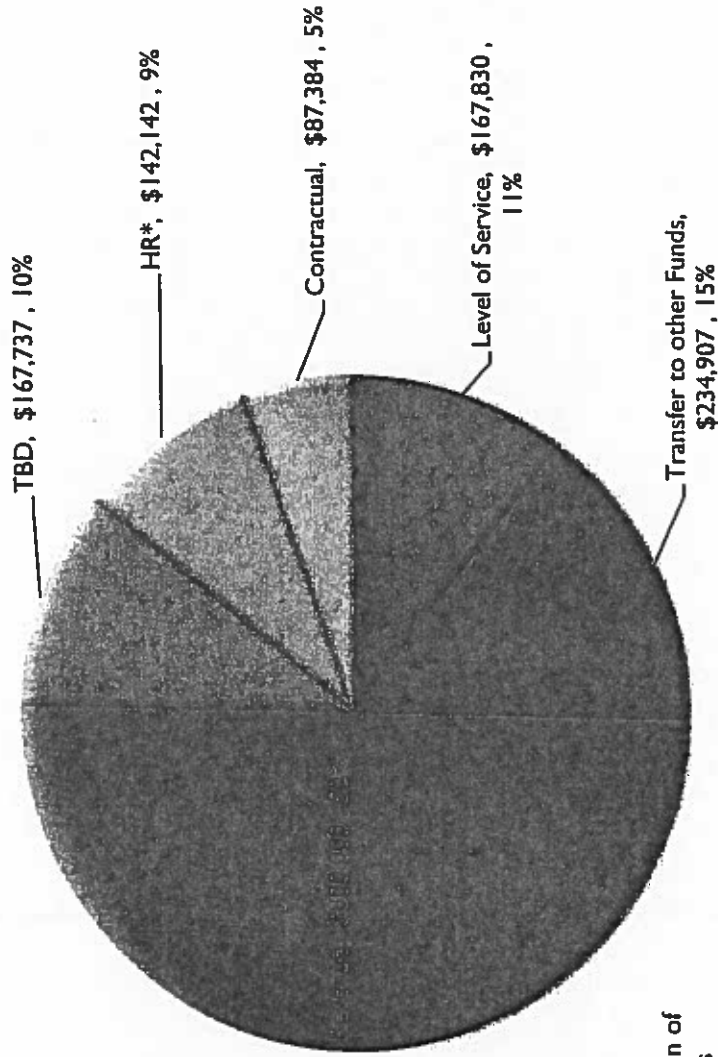
The 5-Year Multi-Year Financial Forecast projects an estimated deficit of \$1.6 million for fiscal year 2017.

Long Range Budget Planning Discussions & Preferences

- ▶ The Finance & Administration Committee has had three meetings to discuss long range strategic budget options to eliminate a projected \$1.6M budget deficit in 2017.
- ▶ Finance & Administration Committee Preferences
 - ▶ 50/50 split between revenues and expenditures/HR for balancing the budget.
 - ▶ The Committee tasked the Village Manager and department heads make recommendations on how to come up with \$800k in expenditure reductions.
 - ▶ Raise the Places For Eating tax a full 1% with the understanding that 1/2% of revenue would go to the General Fund and 1/2% would be held in a separate account for a specific reason or until we have clear direction from the State on future revenues.

Staff Proposed Expenditure Reductions/Changes

Proposed General Fund Long Range Plan



*HR, no elimination of current employees

Summary

- ▶ The Long Range Budget Plan is to develop strategies to address the rising cost of non-discretionary expenses.
- ▶ The preferred strategy is a 50/50 split between revenues and expenditures/HR for balancing future budgets.
- ▶ There may be items that are referred to Committees in the future for further vetting
- ▶ Questions/Comments