



VILLAGE OF LOMBARD

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To: Finance & Administration Committee

From: Timothy Sexton, Director of Finance

Date: September 21, 2016

Subject: **Long Range Plan Reserve Fund Policy**

Attached is the draft policy for the Long Range Plan Reserve Fund. This Fund was established to reserve the remaining ½% Places for Eating tax increase and/or for future designated increases to new revenues that are not immediately needed for General Fund operations.

Staff is requesting the Finance & Administration Committee's approval of the proposed policy and recommendation to the Village Board of Trustees for their consideration.

DRAFT

Long Range Plan Reserve Fund Policy

The Village of Lombard Board of Trustees, in accordance with the Long Range Plan, approved Ordinance #7262 to amend Title IX, Chapter 98, Section 98.1(B)(1), of the Lombard Village Code on second reading at the Village Board meeting on August 18, 2016 to increase the Places for Eating Tax from 1% to 2% effective January 1, 2017. The Village's commitment as part of the Long Range Plan is to use ½% of the 1% increase immediately for General Fund operations and reserve the remaining ½% for future operational needs.

The Long Range Plan Reserve Fund has been established in the General Fund as an unrestricted but assigned account for the remaining ½% Places for Eating Tax increase and/or for designated increases to new revenues that are not immediately needed for General Fund operations.

This reserve fund was established in order to monitor future utilization of new designated revenue increases that are not used for General Fund operations within a given fiscal year, in accordance with the Long Range Plan Resolution (R 38-16 passed June 16, 2016). The Long Range Plan Reserve will be updated each year during the annual budget process based upon expenditure decisions made in previous fiscal years and updated revenue forecasts.