

**VILLAGE OF VILLA PARK
ILLINOIS**



ANNUAL OPERATING BUDGET

FISCAL YEAR 2009-10

**VILLAGE OF VILLA PARK
ANNUAL OPERATING BUDGET
FY 2009 – 2010**

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VILLAGE OF VILLA PARK, ILLINOIS

2009-10 ANNUAL OPERATING BUDGET

MAY 1, 2009 - APRIL 30, 2010

PRESIDENT

JOYCE STUPEGIA

TRUSTEES

JEFF BLANKENSOP
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ROBERT NIEMANN

VILLAGE MANAGER
FINANCE DIRECTOR
FIRE CHIEF
POLICE CHIEF
PUBLIC WORKS DIRECTOR
COMMUNITY DEVELOPMENT DIRECTOR
PARKS & RECREATION DIRECTOR



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Village of Villa Park

Illinois

For the Fiscal Year Beginning

May 1, 2008

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Villa Park, Illinois for its annual budget for the fiscal year beginning May 1, 2008.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**VILLAGE OF VILLA PARK, ILLINOIS
2009-10 ANNUAL OPERATING BUDGET
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**VILLAGE OF VILLA PARK, ILLINOIS
ANNUAL OPERATING BUDGET
FY 2009-10**



INTRODUCTION

**VILLAGE OF VILLA PARK
ANNUAL OPERATING BUDGET
FY 2009 – 2010**

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INTRODUCTION

This section of the budget document is divided into five (5) categories as follows:

1) Budget Message

The Village Manager's Budget Message presents highlights and overviews of the current year's budget. It also discusses prior years' accomplishments, current year financial targets, strategic planning and other financial impacts on the proposed budget.

2) Budgetary Policies

Provides an overview of the policies established in preparing the proposed budget.

3) The Budget Process

Describes the legal authority in establishing the budget; how it is presented and justified; and the adoption and execution of the budget.

4) Strategic Plan & Mission Statement

Describes the process of the Village Board's establishment of the future vision of Villa Park.

5) Board Goals & Objectives

Summarizes the major goals and objectives established by the Village Board to be utilized in preparing the proposed budget.

**VILLAGE OF VILLA PARK
ANNUAL OPERATING BUDGET
FY 2009 – 2010**

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Village of Villa Park

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Robert Niemann
Village Manager
Hosanna Korynecky
Acting Village Clerk

Budget Message

Fiscal Year 2009-10

April 17, 2009

**Honorable President and Board of Trustees
Village of Villa Park
20 South Ardmore Avenue
Villa Park, Illinois**

Ladies and Gentlemen:

I am pleased to submit for your consideration, the Annual Budget for the fiscal year beginning May 1, 2009 and ending April 30, 2010. This budget is a financial plan aimed at maintaining current service levels under difficult economic conditions and addressing the goals of the Village Board.

The general corporate operating fund is balanced with a negative contingency and has been prepared in accordance with all applicable local, state, and federal laws. The Village of Villa Park operates under the Budget Officer Act, which requires that the budget be adopted not later than May 1 of each year. All required hearings and budget information meetings have been completed. The Village Board approved the first reading of the FY 09-10 budget on April 13, 2009.

Budgeting entails multiple planning efforts, including strategic planning and capital improvements planning, all of which feed into the annual budget. The steps involved in completing the annual operating budget are explained on pages xvi-xviii in the introductory section of the budget.

Preparation of the annual budget document begins in October for the Finance staff. Budget forms, spending guidelines, and deadlines are presented to the departments at the annual staff budget meeting in October. Budget requests are submitted in December. Review and analysis by the Finance Director and Village Manager begin at that time. Budget adjustments are made, and, if necessary, additional meetings are held with the departments regarding the adjustments. A pair of budget workshops with the Village Board were held in March. The budget schedule provides for Village Board approval of the document in April, following the necessary hearings and notifications.

BUDGET SUMMARY

The FY 2009-10 proposed budget anticipates \$45,080,137 in total revenues (excluding all transfers in both operating and non-operating funds). This includes \$28,734,291 in operating revenue. This year's budget's operating revenue base is expected to increase by \$6,050,449 over the budgeted revenues from the last year. This overall 15.5% net increase in revenues is misleading due to \$11,000.00 coming from other funding sources, namely bond issues. There are expenditures tied to these bond issues. The significant areas where revenue is projected to change include: sales tax decrease by \$335,000, Police related fees increase by \$125,000 and property tax increase by \$310,000.

The proposed budget anticipates \$42,290,521 of total expenditures (net of transfers), including operating fund expenditures of \$23,740,509. This represents an increase of 5.1% over last year's overall expenses of \$40,270,177.

This budget has been constructed to accomplish the following:

- Maintain current service levels for our residents.
- Take measures to ensure the public safety of both residents and businesses.
- Continue development in both residential and commercial areas.
- Continue planning for commercial development in the Tax Increment Financing (TIF) district along North Avenue and the new TIF district along St. Charles Rd.
- Engage in additional long term planning by revising the Village's Comprehensive Plan

OUTLOOK

The local economy continues to experience the fiscal stress felt region wide. This year's budget was more difficult to balance than last year's. Sales taxes are down slightly and the local Ford dealership was forced to relocate to Elmhurst as a consolidation effort by Ford Motor Company. The weak economy is impacting residents' disposable income therefore discretionary spending down which affects sales tax.

A major area of concern relating to revenues is the telecommunications tax, which has once again declined slightly from the previous last year. This also is a concern with neighboring communities. The telecommunications tax is one of three taxes that comprise the Village's utility tax.

We continue to balance between keeping expenses down and maintaining services for our residents. In recent years, the Village Board has approved increases in police related fines, and water and waste water fees and significant budget cuts have aided in balancing the operating budget.

FY 2009-10 Financial Targets

For FY 2009-10 Village staff has established three financial targets, which are consistent with Village Board policies and recommendations, in preparation of the budget. These targets are intended to maintain the fiscal integrity of the Village by living within its financial means. To that end, the proposed budget adheres to the following financial targets:

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1. Balance Operating expenditures with revenues anticipated during the budget year.
 - Staff is proposing total general operating fund expenditures of \$18,449,352 and total general fund revenues of \$18,460,451 for a net increase of \$11,099. Staff worked diligently to reduce costs in several areas as you will see in the budget reduction section of this message.
 - The general fund contains all of the unreserved fund balances. All other funds have reserved or “earmarked” balances.

2. Maintain a fund balance (reserves) in the Village operating funds equal to a minimum 90 day operating cost in the general operating fund.

In Fiscal Year 2008-09, operational costs of \$52,315 per day were required to maintain Village services (corporate fund). A 90 day fund balance requires \$4,708,273 in reserves. We are projecting a fund balance of \$4,017,162 to end Fiscal Year 2008-09 which equates to 76 days balance.

In Fiscal Year 2009-10, operational costs of \$50,546 per day are required to maintain Village services. A 90 day fund balance requires \$4,549,155 in reserves. We are projecting a fund balance of \$4,028,261 to end Fiscal Year 2009-10 which equates to nearly 80 days balance. There are deficits in other funds that will most likely be covered by the general fund balance. If this takes place, this fund will leave a 58 day fund balance. Any positive budget variances will increase the general fund balance.

The Village of Villa Park is close to its fund balance goals, but had to dip into reserves in Fiscal Year 2008-09 due to some unanticipated increases in expenditures such as road salt liability insurance and storm damage. This took place in addition to sluggish revenues from a weak economy.

3. Submit a budget with no increase in non-labor expenditures and non-capital expenditures in the operating budget.
 - Cuts have been made for FY 09-10 to save money in contractual accounts and capital spending. Cuts made in previous years to benefits, training and conferences and contractual services are still not budgeted in the upcoming fiscal year. Additional discussion about these cuts can be found in the budget reduction effort for FY 2009-10.

Budget Reduction Efforts for FY 2009-10

Each year it becomes increasingly difficult to reduce an already deflated budget. The direction given to staff by The Manager’s Office for the past four years was to submit a zero growth budget for commodities and supplies. As the costs of supplies increased, staff was asked to hold the line, thereby actually reducing the spending power within these accounts.

This year we were forced to revisit these accounts and increase some accordingly. Several accounts increased significantly such as gasoline, natural gas, health insurance (benefits) and street repair materials such as concrete and asphalt. We seek cost containment programs, ways to increase our efficiency and review our personnel and standard operating procedures regularly. However, our mission is to maintain or increase the level of services and to preserve our essential services. The following is a list of budget reductions initiated by the Village Manager and Finance Director:

- ↓ \$7,500 – Reduced training and conferences including \$3,000 for participation in IML
- ↓ \$25,000 – Reduced legal expenditures by completing union negotiations “in-house”
- ↓ \$4,000 – Eliminated intern position in Village Manager’s office
- ↓ \$1,000 – Eliminated new lights and file cabinets in Manager’s office
- ↓ \$17,000 – Eliminated a part-time clerical position in Finance Department
- ↓ \$2,500 – Reduced the “Business Newsletter” to two publications per year
- ↓ \$5,000 – Reduced computer replacement program by two desktop and one laptop computers
- ↓ \$850 – Eliminated contractual cleaning and repair of all mini blinds in Village buildings
- ↓ \$2,000 – Reduced Christmas decorations leaving only light pole and lights outside Village Hall
- ↓ \$1,000 – Postponed installation of “employee break area” between Public Works and Police Dept.
- ↓ \$30,000 – Eliminated replacement of Metra parking coin boxes
- ↓ \$40,000 – Reduced projections and budget for fuel due to favorable fuel costs which will be monitored closely by Vehicle Maintenance Department
- ↓ \$75,000 – Postponed annual purchase of three Police squad cars
- ↓ \$40,000 – Reduced overtime allocations for all departments
- ↓ \$4,000 – Deferred installation of fence at Fire Station #2 and outdoor lighting at Fire Station #3
- ↓ \$12,000 – Reduced and combined classes at the elementary schools taught by Fire Department
- ↓ \$1,700 – Postponed purchase of chain saw/multi purpose saw for Fire Department
- ↓ \$3,000 – Eliminated office upgrades for ICC: 3 desk chairs, projection display and white board
- ↓ \$26,000 – Postponed hiring marketing coordinator for Recreation and Community Development
- ↓ \$6,800 – Eliminated purchase of tulips and daffodils; cancelled tulip give away
- ↓ \$37,000 – Postponed purchase of John Deere mower for Parks Department until next year
- ↓ \$3,000 – Eliminated purchase of replacement trees on North Avenue
- ↓ \$800 – Eliminated golf outing/dinner annual fundraiser contribution to NEDSRA
- ↓ \$4,000 – Reduced funding levels for several boards and commissions
- ↓ \$2,800 – Eliminated planning intern for Community Development Department
- ↓ \$5,000 – Postponed replacement of steel doors for Public Works garage
- ↓ \$3,500 – Postponed upgrade of lights at Fleet Maintenance
- ↓ \$2,400 – Postponed replacement of a/c in Public Works computer room
- ↓ \$8,500 – Postponed repainting of 1st and 2nd floors of Police Department
- ↓ \$2,500 – Postponed installation of sign at Public Works building
- ↓ \$1,500 – Eliminated fall mum planting at various Village buildings
- ↓ \$13,000 – Postponed Fleet Maintenance software update and replacement of welder
- ↓ \$85,000 – Postponed/eliminated additional Police officer position
- ↓ \$4,300 – Eliminated purchase of three rifles for squad cars and swat team training of one officer
- ↓ \$5,000 – Postponed installation of outdoor sign at Fire Station #3
- ↓ \$6,000 – Postponed purchase of rescue boat for Fire Department
- ↓ \$15,500 – Postponed purchase of asphalt hot box for Public Works Department
- ↓ \$75,000 – Reduced contract tree trimming to only emergency areas of town
- ↓ \$10,000 – Reduced tree planting/replacement program

- ↓ \$7,200 – Reduced part-time hours for custodial hours in Parks and Recreation Department
- ↓ \$20,000 – Postponed window replacement in dance rooms and gymnasium at ICC
- ↓ \$12,500 – Postponed replacement of room divider at CRB
- ↓ \$3,000 – Postponed replacement of conference table and chairs at CRB
- ↓ \$4,000 – Postponed replacement of carpet in ICC offices
- ↓ \$9,500 – Postponed replacement of tile floor at CRB
- ↓ \$3,000 – Postponed reconfiguration/remodeling of CRB office
- ↓ \$462 – Postponed purchase of shades for room #5 at ICC
- ↓ \$60,000 – Eliminated one vacant maintenance position in Parks Department
- ↓ \$120,000 – Postponed replacement of Lions Park accessible playground
- ↓ \$10,000 – Postpone replacement/enhancement of CRB landscape
- ↓ \$10,000 – Postpone relocation of garden plots due to water detention system in TOD area until ready
- ↓ \$3,800 – Defer installation of lift gate on Truck #258

Total Cuts Listed Above: \$835,612

FUND SUMMARIES

The next several pages of this message provide an overview of the budget for each major fund or fund type.

General Fund

The General Corporate Fund budget as proposed includes a 1.5% decrease in expenditures, to \$18,449,352. The \$272,765 decrease from the FY 08-09 General Corporate Fund budget to FY 09-10 budget is due in large part to the following changes: \$0 – increase in non-contracted salaries, \$146,862 - health benefits, and (\$889,000) – contingent items to be finalized after the budget is approved. These contingent items are all personnel based.

Revenues are expected to decrease roughly 1.4%, (\$262,078), from the projected FY 08-09 due to major changes which include: \$100,000 – Transfer from the Road Fund for a road crew, (\$250,000) – Transfer from the now depleted IRMA Pool Reserve, \$237,000 – to cover full costs of Social Security, Medicare and IMRF Reimbursements from other funds, (\$120,000) – Investment Income, \$300,000 – Red Light enforcement fees, (\$75,000) – DUI Prosecution fees, (\$100,000) – Administrative Adjudication fees, (\$95,000) – Administrative Tow fees, (\$100,000) – Transfer from the Motor Fuel Tax Fund, \$310,000 – Property Tax (with larger portion going to the three pension funds), (\$335,000) – Sales Tax.

The Village will not attain its goal of a 90 day fund balance, due to drawing into the funds in FY 08-09 due to unforeseen expenditures and a weak economy. The Village anticipates an 80 day balance. This total includes the working cash fund as a subset of the General Corporate Fund. The Village has drawn on positive budget variances in the past to subsidize the Parks, Recreation and Swimming Pool Funds. It also provides the only source of funding for equipment replacement and many other capital project funds. This is a dangerous practice because the other funds rely on the strength of the General Corporate Fund to survive, if a rough year takes place, all the other funds are impacted tremendously. Those funds need their own designated revenue sources, reduce the reliance on the General Corporate Fund and let positive budget variances strengthen the fund balance as the requirements for a 90 day balance increase every year.

Parks Fund

The Parks Fund budget as proposed includes a 5.5% decrease in expenditures, to \$779,265. The Parks Fund shows to be in slight deficit at the end of FY 2009-10, but there is a positive fund balance in the Hotel / Motel Tax Fund, which is earmarked for Parks activities. This can be used to balance the fund. This fund must be watched closely in the coming years.

Recreation Fund

The Recreation Fund budget as proposed includes a 5.2% decrease in expenditures, to \$1,694,700. The Recreation Fund relies heavily on the property tax and transfers from the Corporate Fund. However, the amount of property taxes going into this fund are dwindling due to the tax caps and pension funding requirements set in State Law. This means a larger General Fund transfer than in the past, which in turn puts pressure on the General Fund. This fund is in deficit, even with the \$600,000 transfer from the General Fund. Steps must be taken soon to try to offset this situation.

Smaller Fund Recap

Debt Service

Expenditures are projected to decrease 4.5% from FY 2008-09. This is due to smaller principal payments associated with previous debt payments. There is potential of a new alternate revenue bond being issued in TIF District #3. However, the property tax revenues will remain the same as this will be paid through the TIF increment as opposed to a full faith and credit of the taxing body.

Other Special Revenue Funds

The Village's smaller special revenue funds include the Motor Fuel Tax Fund, Hotel / Motel Tax Fund, NEDSRA Special Recreation District Fund and three Tax Increment Financing Funds. Once again, there will be a draw on Motor Fuel Tax reserves due to a larger increase in the transfer to corporate operations for street maintenance and transfers to fund a portion of various street improvement projects. The Hotel / Motel Tax fund revenues are transferred into the Parks Fund each year and there is no change in this practice this year. The NEDSRA Fund transfers property taxes to another taxing body and the expenditures are then reimbursed by that body. There is a reserve built up from previous years and that is where the funds are available to complete all the desired projects this year. The expenditures in TIF District #1 & #2 are a portion of the revenues collected, so revenues always outpace expenditures. The TIF District #3 will obtain some additional monies through an alternative revenue bond that will be used for development projects in that area. The debt will be repaid through the property tax increment in the TIF District.

Other Capital Improvements Funds

These funds include all capital improvement funds less the Road Fund and Equipment Replacement Fund. These funds include the Miscellaneous Capital Project Fund, Land & Building Project Fund, Building Improvements Fund and the Stormwater Buyout Fund. The balances in these funds are a growing concern since they are being drawn down over the years. The Building Improvement Fund and the Land Acquisition fund are in deficit and need to be brought back in balance. This will be done via a transfer from the General Fund or another funding source. The Stormwater Buyout Fund does not suffer from the same problems due to the fact that it has some revenue streams that maintain its balance.

Street Improvements Fund

The Street Improvements Fund is where the majority of road reconstruction and resurfacing projects are budgeted. The Road Fund is primarily funded by the half cent sales tax that is earmarked for projects in this fund. The other major funding sources are grants and general obligation bonds. The total expenditure for this fund in Fiscal Year 2009-10 is \$4,302,928 and the majority of the expenditures are found in the street reconstruction / resurfacing projects found in the Capital Improvement Program.

FY 2009-14 Capital Improvement Program

The FY 2009-2014 five-year CIP is a multi-year planning instrument used by the Village to identify needed capital projects and to coordinate the financing and completion of these capital improvements in such a way that maximizes the return to the public. The first year of the CIP is called the capital budget and is incorporated into the annual budget. The proposed capital budget for 2009/2010 will include \$4,943,053 for major infrastructure improvements. Revenues to fund this ambitious program will come from the proceeds from General Obligation bonds, a half cent non home rule sales tax, water and sewer fees, grants and fund balances from various sources for the following projects.

• Ardmore Bridge engineering	\$185,800
• Rear Yard Drain Program	\$30,000
• East Madison Street Sidewalk Improvement Project	\$262,251
• Highridge Road Improvement Project	\$92,885
• Roosevelt Road Sidewalk (includes acquisition)	\$706,313
• Saint Charles Improvement Project	\$2,090,601
• South Villa Avenue Improvement Project (Madison to St. Charles)	\$1,575,203

\$4,943,053

Equipment Replacement Fund

The Village's Equipment Replacement Program seeks to ensure that an adequate number of automobiles, trucks and equipment are provided to meet the current and future service needs of the Village. This program involves rehabilitation of existing vehicles and the purchase of new vehicles. To that end, the following is a summary of the vehicles that are scheduled for purchase or lease in the FY 2009-10 budget. However, no vehicles will be funded at this time.

Currently our vehicle replacement fund balance is near zero, meaning we need to transfer money from the Corporate Fund to purchase vehicles or find an alternative revenue source to fund the replacement program. It was past practice to transfer positive budget variances into this fund, but due to tight fiscal constraints this is not likely to take place. It was recommended to institute vehicle stickers as an earmarked funding source for this fund, but that was rejected by the Village Board during FY 2008-09.

The following is a list of vehicles due for replacement according to our vehicle replacement schedule. All vehicles will be listed, however many will show "0" funding allocation at this time. These vehicles will be reconsidered if monies are available later in the fiscal year or will otherwise

be postponed for purchase until next year.

Public Works	
Trade-in Allowances	\$0
Replace Unit #1-sewer vacuum truck	\$36,762
3 rd Year lease payment on #94, dump truck	\$23,781
2 nd Year lease payment on sweeper acquired last year	\$30,055
Public Works Total	\$90,598
Parks	
Trade-in Allowances	\$0
Parks Total	\$0
Police	
Replace three squad cars per state contract	\$0
Police Total	\$0
Total Currently Projected for Vehicle Replacements	\$90,598

Enterprise Funds

Enterprise Funds include the Water, Wastewater and the Swimming Pool Funds. The Water and Wastewater Funds are overseen by the Public Works Department and the Swimming Pool Fund is handled by the Parks and Recreation Department. The following is a brief overview of each fund:

The **Water Fund** budget is projected to increase 3.9% over the current year's budget to a total of \$4,106,938. Other than increasing personnel costs and some capital projects, the only area where there is a rather large increase is the cost of purchasing water from the City of Chicago. The City of Chicago has been instituting a 45% increase in water rates over a three year span to communities utilizing their services. This cost is being passed on to residents, so the revenues will off set the expenditures. Another item of note in the Water fund is the repayment of an Illinois Environmental Protection Agency (IEPA) loan for a project from a previous fiscal year. The Water Fund balance has been decreasing over the past few years, mostly due to capital project improvements drawing on the balance, while the balance is still relatively healthy at \$1,997,269, it needs to be monitored so that it does not dip further.

The **Wastewater Fund** 2009-10 budget is projected at \$4,770,691, a 9.0% decrease from last year's budget. As with all of our operating funds, personnel services are increasing. Large capital projects account for the majority of the increase. The lion share of the expenditures is

\$3,000,000 being spent on sanitary sewer relining. An IEPA loan and increase in the wastewater rates account for the revenues paying for these projects.

The **Swimming Pool Fund** proposed operating budget for 2009-10 is \$294,633, an 9.8% decrease from the previous fiscal year. Expenditures have been outpacing revenues by nearly 20% over the last years. However, an increase in the price of pool passes and a cut in hours / expenditures have narrowed the gap slightly for FY 2009-10. The swimming pool survives off of pool generated revenues and a transfer from the corporate fund and its fund balance. The transfer is being reduced from \$150,000 to \$95,000 in FY 2009-10. The fund balance is currently in a deficit going into FY 2009-10 and although some gains are expected for this year, it will continue to be in a small deficit by April 30, 2010. This is an issue that needs to be addressed possibly with a transfer from the General Fund.

Highlighted Accomplishments of the 2008-09 Budget

- Negotiated Redevelopment Agreement with Wild Fire Harley Davidson for the redevelopment of the northwest corner of North Avenue and Ardmore Avenue.
- Implemented Tax Increment Financing district along St. Charles Road at the site of the former Oakfield Ford location.
- Pursued and received license for an off-track betting facility at North Avenue and Addison Road with anticipated construction completion by the end of 2009.
- Introduced online credit card payment program which began November of 2008.
- Coordinated meetings with CPAC, consultants, residents and business/property owners; held public forums, conducted surveys and made presentations for the Village's Comprehensive Plan.
- Created a new newsletter, "Business Matters", to send to all business owners in Villa Park to keep them informed and open a line of communication.
- Improved vehicle longevity through the construction of a 10,000 square foot maintenance garage.
- Designed four water main improvement projects (North Euclid, North Westmore, West Wildwood and North Wisconsin) in-house with a total estimated construction cost of \$1.2 million.
- Instituted local DUI prosecutions.
- Instituted local adjudication program of certain village ordinance violations.
- Instituted Red Light photo enforcement program.
- Realigned duties and assignments due to the addition of the second school resource officer with District 45 as a School Resource Officer.
- Increased detective division by one officer for reassignment as additional Willowbrook High School resource officer.
- Hired a qualified part-time Fire Inspector to assist Deputy Fire Chief with inspections and code enforcement duties, with the focus on the inspection of multi-family dwellings.
- Applied for and received a FEMA Assistance to Firefighters Grant for the purchase and installation of a bunker gear extractor and dryer.
- Purchased properties in the North Avenue TIF District for future redevelopment projects.
- Extended office hours at the Iowa Community Center to 8pm for residents to

- enhance access to program registrations and other services.
- Renovated the Iowa Community Center kitchen to comply with DuPage County Health Department regulations.
- Celebrated to 31st season of summer concerts conducted in cooperation with the Villa Park Kiwanis Club.
- Maintained the median landscaping along Villa Park's 1.5 miles of North Avenue in-house as opposed to hiring a landscape company.
- Prepared and submitted six STP grant applications (70% funding) and three ARRA (100% funding) grant applications. Received approximately \$550,000 in new funding.

FY 2008-09 Awards and Recognition

- Designated "Tree City USA" for the 24th consecutive year.
- Both Lufkin and Jefferson swim pools received #1 rankings by DuPage County Health Department.
- Received the GFOA distinguished budget award for the 16th consecutive year.
- Received the GFOA Excellence in Financial Reporting award for the 22nd consecutive year.

Goals for FY 2009-10

- Establish a Park and Recreation Advisory Commission to provide feedback from the community.
- Structure a workforce reduction plan that allows the budget to be balanced and essential services to be delivered.
- Investigate and report to the Village Board alternative revenue streams to balance the budget, enhance road project funding and provide a source of revenue to fund the Vehicle Replacement Program.
- Create and implement a Business Retention Survey, and continue to market the community.
- Facilitate completion and adoption of Comprehensive Plan Update.
- Continue to evaluate equipment costs annually and modify the equipment replacement schedule to optimize replacement levels.
- Design and inspect multiple residential back yard drain projects totaling \$20,000; provide technical assistance and advice to additional residents with drainage issues.
- Utilize full waiver status to expedite review of private development plans for special-management areas.
- Perform cross-training on the new parking/VO computer entry program, the adjudicatory hearing procedures and the administrative tow process.
- Increase community contact through the use of community oriented policing neighborhood walk/talk programs.
- Update current village codes to the 2006 International Building and Fire Codes and the 2006 NFPA Codes.
- Prepare Request for Proposals (RFP) for a successor garbage contract. Current contract will expire June 30, 2010.
- Assist DuPage County with storm water activities to comply with the NPDES (Natural Pollutant Discharge Elimination System) Storm Water Permit.

- Issue and Alternative Revenue Bond within the TIF District to acquire properties for development.
- Enhance customer service at the Recreation Department by allowing customers to register for programs via the on-line registration component.
- Complete in-house design of Addison Road Resurfacing, West Kenilworth Improvement Project and South Michigan Improvement Project with the assistance of a contract employee.
- Complete construction of the Myrtle Avenue Project, St. Charles Road Resurfacing Project, and Addison Road Resurfacing Project.
- Resurface Village portions of streets adjacent to York Township streets in the area south of Harrison Street and east of Ardmore.
- Continue to assist residents in alleviating backyard flooding and other drainage problems through the Drainage Improvement Program.
- Work with DuPage County to complete Sugar Creek Watershed Plan.

Personnel Summary

Last year, this section of the budget message optimistically reported that the Village would be adding eight additional positions. The results of last year's report are as follows:

Police - Two new full-time patrol officers and one additional school resource officer at Willowbrook High School. The costs of the resource officers will be split with the High School.

All positions were filled.

Fire - One new part-time fire/building inspector. This position will have a twenty-four hour work week and will aid the Community Development Department.

Position filled with extremely productive results.

Public Works - An additional seasonal employee will be hired to work from April to November. This is in lieu of a full-time or permanent part-time position.

Filled and supported our full-time staff.

Recreation - A new full-time Program Supervisor to replace a part-time Early Childhood Director. A new evening secretary position at the Iowa Community Center for customer assistance for evening programs held at that facility.

Both positions filled with excellent results.

Parks - The addition of a full-time maintenance position to replace two part-time positions.

Position not filled, difficulty in locating a qualified candidate. Position has been cut from the FY 2010 budget.

Due to the economic constraints we are currently facing, the Village can anticipate a work force reduction of approximately 7 employees in FY 2010. Much of the reduction will be gained through a voluntary early retirement program. We anticipate approximately seven employees will take

advantage of this opportunity. Other reductions will be directed by the Manager as needed. It is the Board's goal to not lay off employees, rather be creative in reducing employee expenditures. At this time we are negotiating three labor contracts and considering many options to reduce expenditures. A full report will be delivered to the Village Board when finalized.

Conclusion

Due to the national economy, local reductions in revenues and the overall state of affairs, the FY 2010 budget has created a challenge to staff and the Board. Staff presented a conservative budget that can be flexible if the economic conditions improve. It is both the Board's and staff's goal not to initiate layoffs of full-time employees.

I'm very pleased with the accomplishments of the Village Board and staff during this past year. We continue to provide a high level of services to our residents under difficult economic conditions. I thank the Board for their willingness to accept new methods and procedures to accomplish our goals.

The key to reestablishing our financial strength will be redevelopment. Staff is working diligently to create business opportunities for developers to consider when the economy improves. Much interest has been expressed by development companies and creation of the St. Charles Road TIF District shows the Village's commitment to retail development. I look forward to the challenges of the upcoming year and planning for several major projects throughout the community.

Finally, I would like to extend my sincere appreciation to Finance Director Eric Dubrowski and other Village staff members who contributed many hours of dedicated work to produce this document. I would also like to thank the Village Board members for their input into the budget process and for providing staff with the budget guidelines.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bob Niemann". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bob Niemann
Village Manager

VILLAGE OF VILLA PARK, ILLINOIS
Budgetary Policies
Fiscal Year 09-10

For FY 08-09 the Village Board established financial targets and goals to be met by staff in the preparation of the budget. These targets and goals are intended to maintain the fiscal integrity of the Village by living within its financial means.

1. Balance operating expenditures with revenues anticipated during the new budget year.

Staff shall submit a balanced proposed budget. The budget can be changed in any manner desired by the board. The FY 09-10 adopted budget successfully balances operating expenditures with operating revenues.

2. Creation of a fund balance reserve in the Village's general operating funds equal to 90 days of operating expenditures.

In Fiscal Year 2009-10, operational costs of \$50,546 per day are required to maintain Village services. A 90 day fund balance requires \$4,549,155 in reserves. We are projecting a fund balance of \$4,028,261 to end Fiscal Year 2009-10 which equates to nearly 80 days balance. There are deficits in other funds that will most likely be covered by the general fund balance. If this takes place, this fund will leave a 58 day fund balance. Any positive budget variances will increase the general fund balance.

The Village of Villa Park is close to its fund balance goals, but had to eat into reserves in Fiscal Year 2008-09 due to non sluggish revenues due to the weak economy and some unanticipated expenditures such as the increase in the liability insurance bill, cost of salt for the roads, etc.

3. The proposed budget should include service goals.

These goals will help management define and measure the qualitative and/or quantitative accomplishments and progress of each department. This is the thirteenth year the Village has established service goals.

4. Adhere to the financial management policies of the Village.

These policies assist in maintaining a favorable financial picture and the fiscal integrity of the Village.

5. Basis of Budgeting

The Village of Villa Park uses a “cash basis” of budgeting for all fund types. Encumbrances and depreciation are not budgeted. Village expenditures may not exceed the amounts appropriated. In the case of an emergency or a contingency, which was not reasonably foreseeable, a budget amendment would be required. The Village’s budget is constructed on a fiscal year basis.

The budget must present a complete financial plan for the Village; setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year. In estimating the anticipated revenues, consideration must be given to any unexpected surpluses and the historical percentage of tax collections. Further, the budget must show a balanced relationship between the total proposed expenditures and the total anticipated revenues with the inclusion of beginning funds.

6. Basis of Accounting

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Principal and interest on general long-term debt are recorded as fund liabilities when due. Those revenues susceptible to accrual are sales taxes, property taxes, use taxes, and franchise tax. Proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

VILLAGE OF VILLA PARK, ILLINOIS
The Budget Process
Fiscal Year 09-10

The Village follows these procedures in establishing the budgetary data:

- 1) The Village of Villa Park has adopted the Budget Officer System established in Illinois Compiled Statutes (ILCS 65, 5/8-2-9.1 through 5/8-2-9.10) providing for an annual municipal budget in lieu of the passage of an appropriation ordinance.
- 2) Public budget hearings are conducted before the Village Board approves the budget.
- 3) Upon adoption, the approved budget becomes the authorization to expend funds in the new budget year.
- 4) The Budget Ordinance must be adopted prior to the start of the fiscal year and then filed with the County Clerk.
- 5) At any time during the fiscal year the budget may be amended by a 2/3 vote of the Village Board. The Board may delete, add to, change or create sub-classes within object classes or even object classes themselves.
- 6) The budgets of all governmental and agency fund types are prepared on a modified accrual basis. Under the modified accrual basis, revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recognized when the related fund liability is incurred

The budgets of the enterprise and nonexpendable trust funds are prepared on an accrual basis. Under this method, revenue is recognized when earned and expenses are recognized at the time liabilities are incurred. However, depreciation on fixed assets is not budgeted. The basis for budgeting and the basis of accounting are the same for all funds.

A budget is an annual plan of estimated expenditures and the proposed means of financing them. It is the method by which the Village delivers its services and programs to its residents for the fiscal year starting May 1st, and ending the following April 30th. After the budget is adopted, it then becomes a control mechanism by which to measure the resources expended to meet the approved objectives and to measure the adequacy of the fiscal plan.

This budget document represents the culmination of many months of review by Village staff and elected officials of preliminary reports and budget material. These preliminary materials are and have been available for public review at the Village Hall.

The budget is prepared under the joint efforts of the Village Manager's Office and the Finance Department. The Village Manager is responsible for presenting the document to the Village Board. The budget requests for the upcoming year are submitted by each department to the Finance Department in early January.

Listed below are the approximate dates for the preparation and adoption of the budget:

<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ACTIVITY</u>
Tuesday	11/11/08		Budget worksheets and budget preparation manual distributed to all department heads.
Friday	11/14/08		Budget worksheets and budget preparation manual distributed to Boards and Commissions.
Tuesday	11/18/08		Individual department meetings with Finance Director to review budget preparation process, if necessary .
Monday	1/05/09		Budget and Capital Improvement Program (CIP) worksheets due to Finance Department.
Monday to Friday	1/26/09 2/06/09		Village Manager and Finance Director budget meetings with department and division heads to review draft copies of Budget and CIP.
Monday to Friday	2/16/09 2/20/09		Prepare summary reports, transmittal letter, print budget and CIP.
Monday	3/09/09		Distribute FY 2009-10 recommended Budget and CIP to Board and departments.
Wednesday	3/25/09	7:00 p.m.	Board Budget Meeting.
Tuesday	3/31/09	7:00 p.m.	Board CIP Budget Meeting.
Monday	4/13/09	7:15 p.m.	Board Budget Public Hearing.

Monday	4/13/09	7:30 p.m.	Board discusses FY 2009-10 Budget and five-year Capital Improvement Program at the COW meeting.
Monday	4/13/09	7:30 p.m.	First reading of Budget Approval.
Monday	4/27/09		Second reading of Budget Approval. Board adopts FY 2009-10 Budget and five-year Capital Improvement Program.

Subsequent to the adoption of the budget, the budgeted expenditures are recorded in the general ledger and provide management with an ongoing visual indication of the amount of still available balances. Each month budget reports are sent to department heads for their review and they recommend budget adjustments between their department line items when their operations cause a line item to exceed the budget amount. During the year, the Village Board may authorize budget amendments by a 2/3 majority vote.

VILLAGE OF VILLA PARK, ILLINOIS

Strategic Plan & Mission Statement

In August 1993, the Village Board and staff held the first of two meetings in order to update the Village's strategic plan. In order to develop the plan, it was necessary to identify the vision for the community as shared by the staff and elected officials. Following a discussion of a future vision for Villa Park, a mission statement was created. The mission statement that was ultimately adopted by the Village Board on September 13, 1993 is stated:

“To provide for the health, safety and welfare of the citizens of Villa Park, now and in the future, in a cost effective, efficient and courteous manner, by carefully balancing the needs of the people with their ability to pay for those needs.”

From the foundation of the mission statement, the Board and staff proceeded to identify two key result areas that formed the foundation of the strategic plan:

- SUFFICIENT FUNDING - To provide revenues for accelerating maintenance and improvement to Village infrastructure.
- ECONOMIC DEVELOPMENT - Assist property owners with development within the Village of Villa Park. This is particularly important in the Transit Oriented Development project area and the Tax Increment Financing Districts.

The Village began to update its Strategic Plan in 2008. The Village will be finalizing the plan in 2009. Sufficient funding and economic development are still areas cornerstones of the overall strategic plan in Villa Park. However, other concepts are very important and need to be part of the goals of the Village and organization. This area of the budget will be updated after the completion of the new comprehensive plan.

VILLAGE OF VILLA PARK, ILLINOIS
Board Goals and Objectives
Fiscal Year 2009-10

Prior to the beginning of the budget process, the Village established goals and objectives for the upcoming fiscal year. The primary purpose of these goals and objectives is to set forth clear, concise and effective guidelines for managing the affairs of the Village and for establishing mechanisms necessary to ensure the orderly growth of the Village. The following is a summary of the goals and objectives:

- Enhance public safety in the community through education, police protection and prosecution of offenses.
- Improve the public infrastructure through street reconstruction and resurfacing projects throughout the community.
- Attract new business development to the Village of Villa Park in order to improve the local economy and the Village's tax base.
- Continue with North Avenue corridor redevelopment projects in order to revitalize that business area.
- Provide new programs and amenity upgrades for the community's benefit through Parks and Recreation programs.
- Increase property maintenance enforcement through the community to address blighted parcels.