

FY10 Proposed Budget
Village Council Workshop
November 24, 2009



Budget Review Process

- May-Sept. Financial Planning
- Sept. 24 Proposed Budget
- Oct. 3 Budget Workshop
- Oct. 6 Budget Workshop
- Oct. 17 Coffee with the Council
- Oct. 20 Budget Workshop
- Nov. 3 Budget Workshop
- Nov 17 Budget Workshop
- Nov. 24 Workshop Review



What is the problem?

- The Village is facing a projected \$4.5 million budget deficit in FY2010
- Under a “business as usual” scenario...
 - FY10 Revenues: \$38.4 million
 - FY10 Expenses: \$42.9 million
 - Difference: \$ 4.5 million



What caused it to occur?

- Unprecedented revenue decline in several major categories:

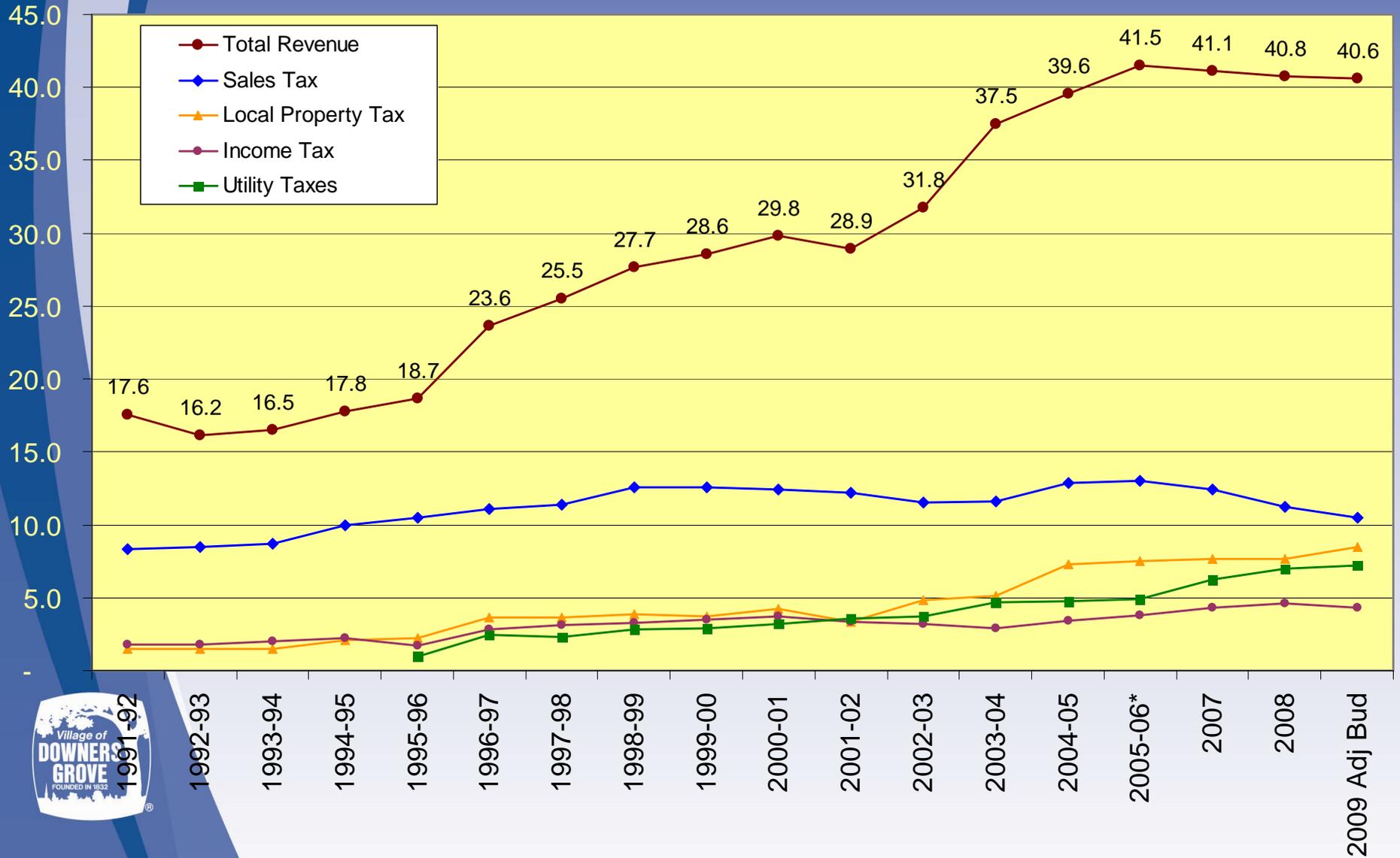
Source	FY10 Budget	% Decline
Sales Tax	\$10,500,000	-11.4%
Utility Taxes	\$ 6,200,000	- 3.0%
Income Tax	\$ 3,750,000	-18.1%
Fines	\$ 850,000	- 9.9%
Building Permits	\$ 811,000	- 9.9%
Hotel Taxes	\$ 700,000	-22.2%
Local Use Taxes	\$ 620,000	-11.4%

- These sources represent 58.8% of all FY10 General Fund revenues



General Fund Revenues

(in millions)

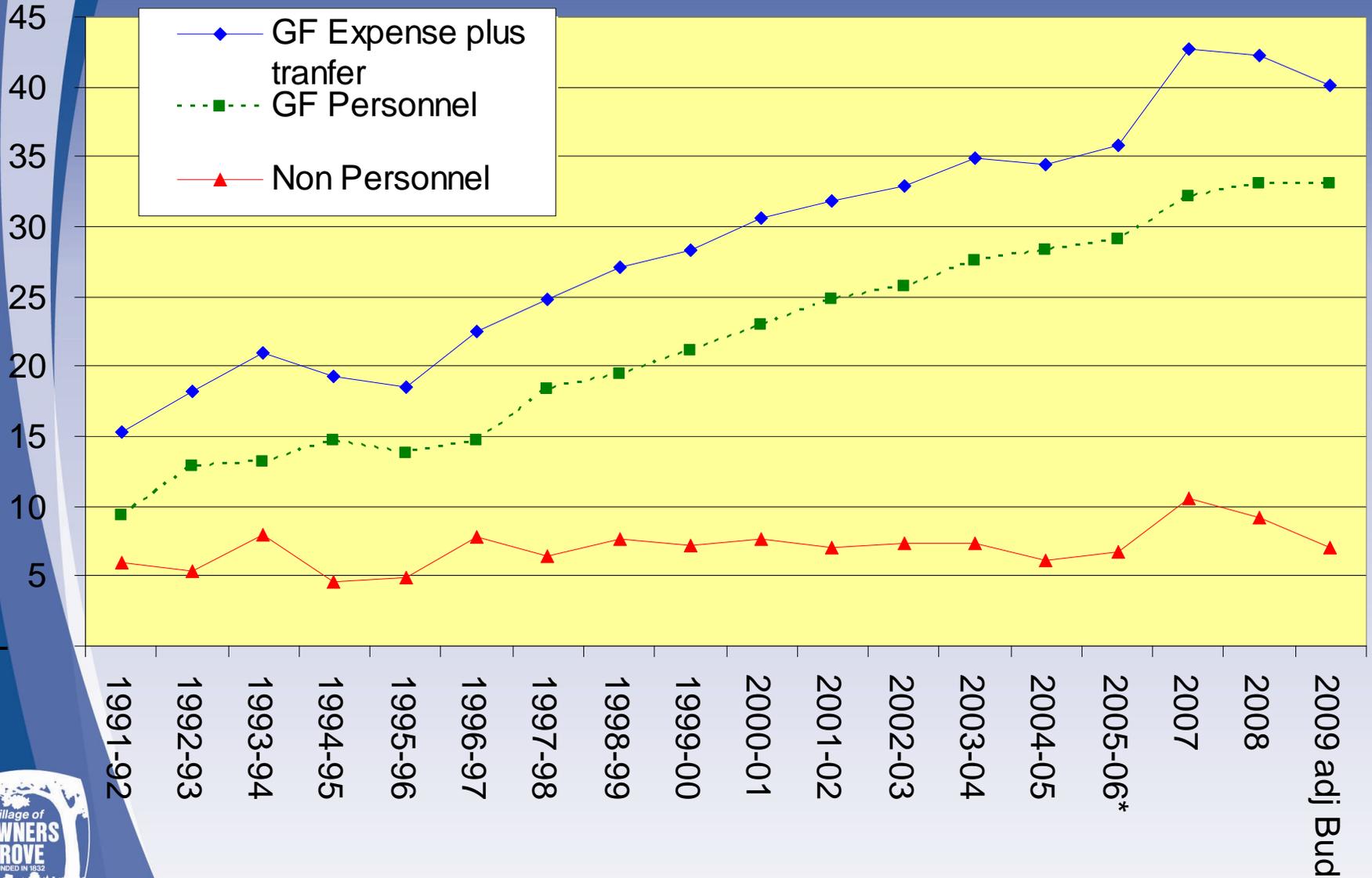


What caused it to occur?

- Increasing personnel costs
 - Pensions
 - Health Insurance
 - Contractual Salary Increases



General Fund Expenses (in millions)



What's been done to this point?

- Down 20 FTE positions since April 2008
 - Hiring freeze since April 2008
 - Voluntary separation program in 2009
- Cost reductions in fleet operations
- Furloughs and salary freeze
- Cost savings efforts throughout Village
- Long-Range Financial Plan Process



Long Range Financial Planning

- Seven public meetings from May to Sept.
- Review of Village financial condition
- Discussion of long-term strategies to change Village Business Model
- Prioritization and Strategies Exercises



Core Services

- Emergency services (Fire, Medical, Police, etc.)
- Solid waste collection
- Infrastructure construction and maintenance for the stormwater, street and water systems
- Village facility maintenance
- Drug enforcement
- Village Board and Commission
- Life safety related code enforcement and plan review
- Economic development



Primary Services

- Sidewalk construction and maintenance
- Parking lot maintenance
- Development, building, zoning and property maintenance code enforcement and plan review
- Permit and License Administration
- Public tree maintenance and planting
- Yardwaste collection
- Customer communication and customer service responses
- Downtown initiatives
- Environmental sustainability efforts (green initiatives)
- Police and Fire public education
- Community presence of Village operating departments
- Staff training
- Traffic Enforcement



Secondary Services

- Bikeway construction and maintenance
- Grove Commuter Shuttle
- Taxi subsidy program
- Social services
- Traffic calming
- Leaf collection
- Village funding programs (Sr. Citizen Council, Community Grants)
- DARE program
- Community events
- Downtown beautification
- Recycling extravaganza
- Historic preservation



General Fund Recommended Strategies

- Expense Reductions
- Property Tax Levy Increase
- Other Revenue Increases
- Use of Reserves



General Fund Recommended Strategies

- 2010
 - Reduce Expenses by \$2.0 Million
 - Increase the Property Tax Levy for General Fund Operations by \$500,000
 - Increase Other Revenue Sources by \$1,000,000 (6 months)
 - Use \$1.0 Million of Reserves



Proposed Expense Reductions

Fleet improvements	\$ 400,000
Health plan changes	\$ 450,000
Staffing reductions	\$ 952,000
Heritage Festival reductions	\$ 65,000
Ice Sculpture Fest elimination	\$ 23,000
Taxi Subsidy program changes	\$ 50,000
Suspend Community Grants	\$ 72,000
Eliminate DSCC Grant	\$ 39,000
Total	\$2,051,000



Proposed Revenue Enhancements

Real estate tax levy: operations	\$ 500,000
Home rule sales tax	\$1,000,000
Total	\$1,500,000

Total Proposed Increase to Real Estate Tax Levy

Real estate tax levy: operations	\$ 500,000
Real estate tax levy: pensions	\$ 845,108
Total	\$1,345,108



General Fund Proposed Budget

	Revenues	Expenses	(Deficit)
Proposed (9/24/09)	\$39,857,178	\$40,834,257	(\$977,079)
Reduced Community Events	(\$2,500)	(\$69,000)	
Proposed (11/24/09)	\$39,854,678	\$40,765,257	(\$910,579)



Budget Ordinance



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