

Summary of Long-Range Financial Plan Meeting Tuesday, June 2, 2009

The Village Council met with staff members on Tuesday, June 2 for the second in a series of meetings to discuss the Village's Long-Range Financial Plan. The purpose of these meetings is to develop long term strategies and solutions that will be used to address difficult financial decisions. Ultimately, the Village will produce a Long-Range Financial Plan to guide budget preparations and strategic plan development.

General Fund revenues, expenses, reserves and projections were topics presented at the first meeting held on May 19. Several key findings from that meeting included:

- Identification of a projected gap between revenue and expenses in 2010.
- Declining sales tax revenue.
- The impact of personnel expenses on the Village's bottom line.

The Tax Levy, Infrastructure and Facilities, and Debt Capacity were the topics introduced by staff at the second meeting. Key findings included the following:

Tax Levy

- Since 1992, the Village has experienced strong growth in the Equalized Assessed Value (EAV) of all property within the Village.
- Projections indicate flat/declining EAV Projections in the near future.
- Village Property Tax Rate has varied over the years.
- Village Property Tax Rate is low compared to other DuPage County municipalities.
- Property Tax Levy could be increased and would allow the Village to remain competitive.

Infrastructure and Facilities

- Multiple components of infrastructure and facilities include Streets, Stormwater System, Facilities, etc...
- Construction of new facilities, as well as on-going maintenance of existing facilities requires funding.
- Multiple sources of funding include Home Rule Sales Tax, Motor Fuel Tax, Property Tax etc...
- Investment needs are large and vary over time.
- Infrastructure and facilities investment needs exceed sources of funding.

Debt Capacity

- Village has strong financial position with a AA+ bond rating.
- Current debt obligations are within moderate levels and drop to low levels in future years.
- Debt capacity is available in future years.
- Village must pledge a revenue source or sources to pay off future bond issuances.

