

Long Range Financial Planning
Village Workshop Meeting
July 7, 2009

Village Services
Solutions and Strategies



Long Range Financial Planning Calendar

<i>Date</i>	<i>Event/Activity</i>
May 19	General Fund Revenues, Expenses, Reserves and Projections
June 2	<ul style="list-style-type: none">• Tax Levy• Infrastructure and Facilities• Debt Capacity
July 7	Village Services Discussion, Solutions and Strategies
July 21	Solutions and Strategies
Aug. 4	Solutions and Strategies, Strategic Plan, TCD 3
Aug. 18	Strategic Plan, TCD 3, Conclusions

Long Range Financial Planning

- Multiple Opportunities for Input & Discussion
- Allow for a Dialogue Among Community, Council & Staff
- Create Awareness of Issues and Potential Solutions
- Consensus for Solutions and Strategies
- Create a 3 to 5 Year Plan



Long Range Financial Planning

- Difficult and Complicated Decisions
- Manageable
 - Issues Presented and Discussed Early in Process
 - Staff Prepared Potential Solutions and Strategies
 - Solutions and Strategies Discussed Later in Process



General Fund Key Findings

- Projected General Fund Expenses Exceed Projected Revenues
- Need to Change Expenses and Revenues
 - Short Term
 - Sustainable
- Need to Change Village Business Model



Tax Levy Key Findings

- Strong Historic Growth in EAV
- Flat/ Declining EAV Projections
- Pressure on 2009 Levy from Pensions and Debt Service
- Village Tax Rate Has Varied
- Village Tax Rate Remains Low Compared to Other DuPage Municipalities
- Property Tax Levy Could Be Increased and Remain Competitive



Infrastructure and Facilities

- Multiple Components of Infrastructure and Facilities
- New Construction and Maintenance
- Annual Expenses are “Lumpy”
- Multiple Sources of Funding
- Infrastructure and Facilities Investment Needs Exceed Existing Sources of Funding



Debt Capacity

- Current debt obligations
 - Moderate level of debt in short-term
 - Low level of debt in future years
- Debt Capacity Available in Future Years
- Need to Pledge Revenue Sources



Infrastructure & Facilities and Debt Capacity

- Need to Invest in Infrastructure & Facilities
- Investment can be “Lumpy”
- Debt Capacity Available
- Need to Pledge a Revenue Source
- Suggests
 - Issue Debt for Infrastructure and Facility Investments
 - Prioritize Infrastructure and Facility Needs



Long Range Financial Planning

- Village Services Exercise
- Solutions and Strategies



Solutions and Strategies

- 3 Approaches
 - Increase Revenues to Pay for Current Services
 - Reduce Services to Match Revenues
 - Combination of Increased Revenues, Expense Reductions and Planned Use of Reserves
- All Approaches Include Continued Efficiency Improvements
 - Implementation Efficiencies
 - Policy Level Efficiencies



Village Services Exercise

- Public Sector Provides Services Desired by the Public that the Private Sector Can't or Won't Provide
- Village Provides Wide Array of Services
- Each Service is Valued
- Limited Resources Require Village to Prioritize Services



Village Services Exercise

- Prioritization, not Resource Allocation or Budgeting
- List of Selected Village Services
- Council to Prioritize Services on a 1 to 5 Scale with 5 as Highest Priority
- Staff Will Use Results to
 - Understand Council Priorities
 - Prepare the Long Range Financial Plan Strategy
 - Prepare Annual Budgets



Village Services Exercise



Solutions and Strategies



Solutions and Strategies

Strategies are

- Broad
- Allow for supporting action steps
- Designed to address specific issues



General Fund

- Issue: Current Expenses Exceed Current Revenues
- Potential Strategies
 - Implement Operating Efficiencies
 - Enhance the Revenue Base
 - Reduce/ Eliminate Village Services
 - Reduce/ Eliminate Village Funding Programs
 - Reduce/ Eliminate Village Events
 - Increase/ Enhance Property Tax Revenue
 - Increase/ Enhance Other Revenue Sources



General Fund Strategies Exercise



Village Services Exercise

Results Discussion



General Fund Strategies Exercise

Results Discussion



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