

## **Long Range Financial Plan (LRFP) Meeting Summary for July 26, 2011**

Manager Fieldman summarized that the Village is taking a new approach to analyzing and funding infrastructure that is comprehensive, rather than system by system or fund by fund. This approach improves the Village's decision making ability and the long-term sustainability of infrastructure systems, which include:

- Water
- Streets
- Storm Water/Drainage
- Sidewalks
- Traffic
- Streetlights
- Bikeways
- Facilities

At the last meeting, Council was presented with the types of expenses associated with infrastructure systems:

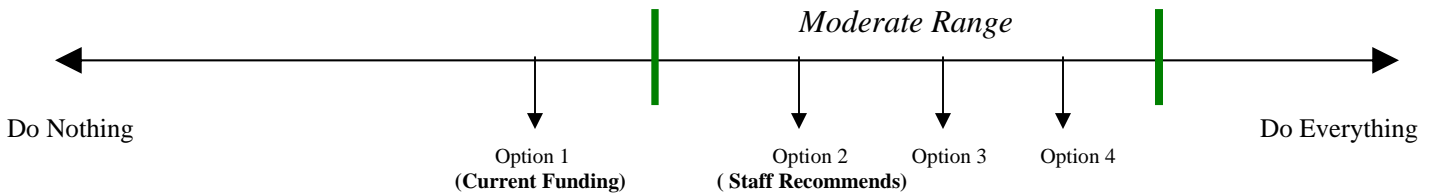
- Debt Service Payments
- Maintenance of Existing Infrastructure and Facilities
- Expansion or New Construction/ Major Reconstruction of Infrastructure

A discussion of infrastructure priorities followed and multiple revenue sources were presented to fund these activities.

### **Funding Options and Recommendations**

Manager Fieldman illustrated a continuum for infrastructure funding with the actions of "Do Nothing" at one end and "Do Everything" at the other. He expanded on that illustration by charting four funding levels/options for Council to consider, and how those options meet the priority levels established at the last meeting.

## Infrastructure Funding Continuum



	<b>Option 1 (Current Funding)</b> * No New Revenue * No Bond Issuance	<b>Option 2</b> * Add \$3 mil in New Revenue * \$25 mil Bond Issuance	<b>Option 3</b> * Add \$5 mil in New Revenue * \$50 mil Bond Issuance	<b>Option 4</b> * Add \$7 mil in New Revenue * \$75 mil Bond Issuance
<b>Priority A</b> * Existing Debt Payments * Maintain Existing Systems	* <b>\$1 mil shortfall</b> for maintenance	Priorities Fully Met	Priorities Fully Met	Priorities Fully Met
<b>Priority B</b> * Reconstruct Streets * High Priority Stormwater Projects	<b>\$35 mil shortfall</b>	<b>\$10 mil shortfall</b>	Priorities Fully Met	Priorities Fully Met
<b>Priority C</b> * Expansion of Systems * New Construction	No change	No change	<b>Add \$15 mil</b>	<b>Add \$40 mil</b>

Staff recommends Option 2.

Suggested revenue sources to fund the \$3 million in new revenue under this option are:

- **Creation of a Stormwater Utility** (discussions already in progress.)
- **Issue Village Vehicle Stickers.** This option would be enacted if the revenue generated from the Stormwater Utility did not meet the threshold. If enacted, the fee would be determined by the amount needed to fill the revenue gap.

Discussion continued on other sources of revenue, other than those recommended. The majority of the Council indicated support for Option 2. The Council requested that staff provide additional information about other

revenue sources prior to indicating support for the creation of a stormwater utility and creation of a vehicle sticker program.

The next LRFP meeting will be held on August 23, 2011.