



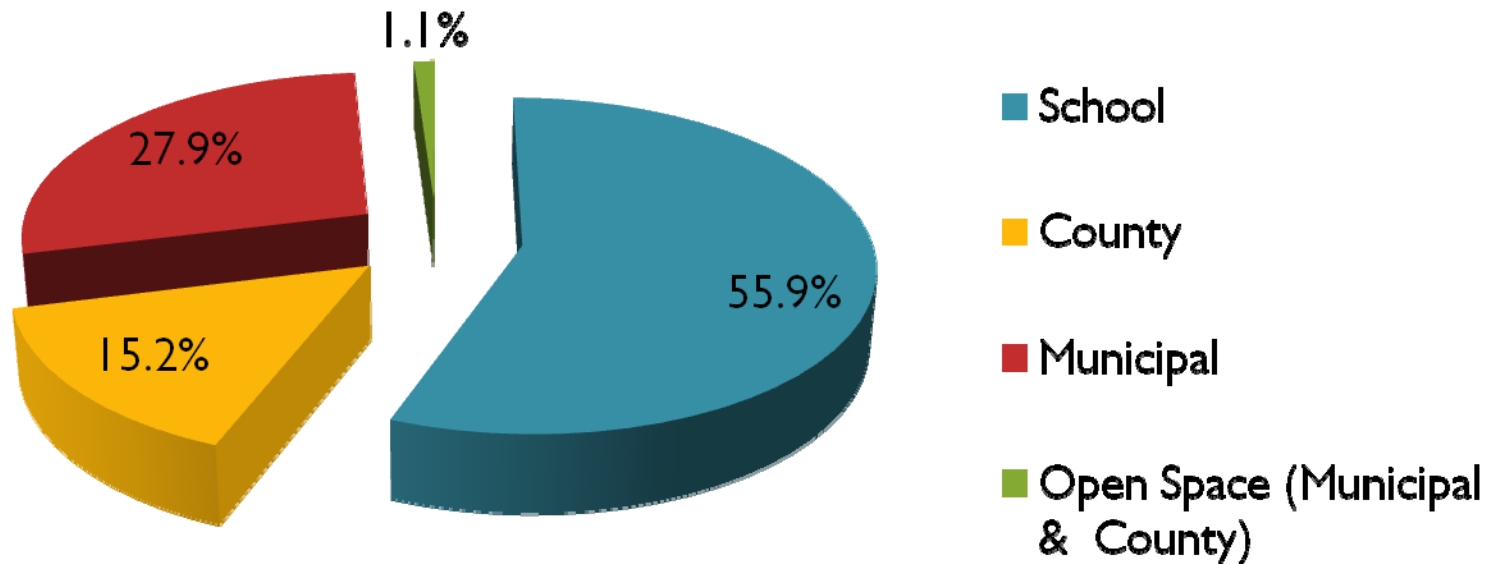
Municipal Budget Overview

March 31, 2009

Tax bill breakdown

- Property taxes are made up of several elements:

Property Tax Breakdown



2009 Budget

- Original projections for 2009 budget showed an increase of 28.5% if no changes were made.
- Largest Drivers of the increase are:
 - \$2.1 million decrease in revenues, attributable to dramatically reduced surpluses and absence of extraordinary aid
 - \$1.1 million in capital improvements and debt service
 - \$850K increase in salary and employment taxes
 - \$400K increase in pension contributions and healthcare benefit costs
 - \$225K increase in utility and energy costs
 - \$150K increase in reserves for uncollected taxes
 - \$300K in other increases

Pre-Introduction Actions

- So far, we have identified *\$1.775 million in reductions* to our tax levy, in part by realizing:
 - \$1.15 million in savings, if the State Legislature and Governor approve a pension deferral
 - \$600K in savings by reducing capital improvements and debt service

Operating Budget Budget

- The total Operating Municipal budget over the past few years was as follows:

2005	\$ 24,528,7.33
2006	\$ 27,002,888
2007	\$ 28,897,242
2008	\$ 30,313,398
2009 (Introduced)	\$ 31,117,099 + 2.7%

2009 Total Municipal Budget

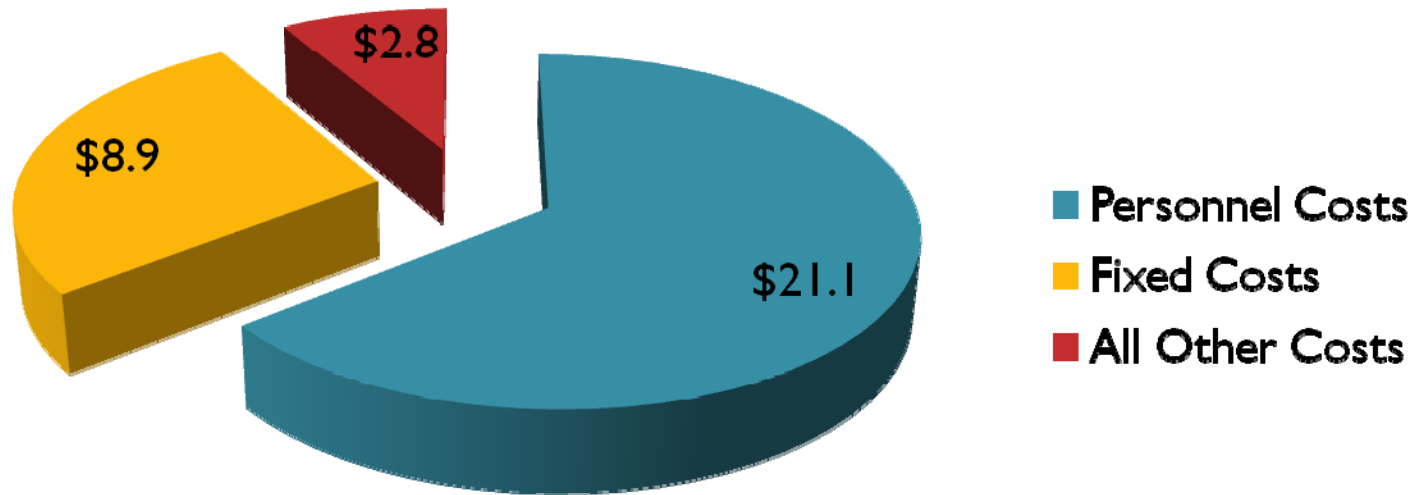
- The Municipal Budget included the following:

2009 Operations	\$ 31,117,099
Grants, Capital Improvement Fund, Contributions and Reserve for Uncollected Taxes	\$ 1,686,012
Total 2009 Municipal Budget	\$ 32,803,111

Municipal Budget

- Municipal expenses consist of many components:

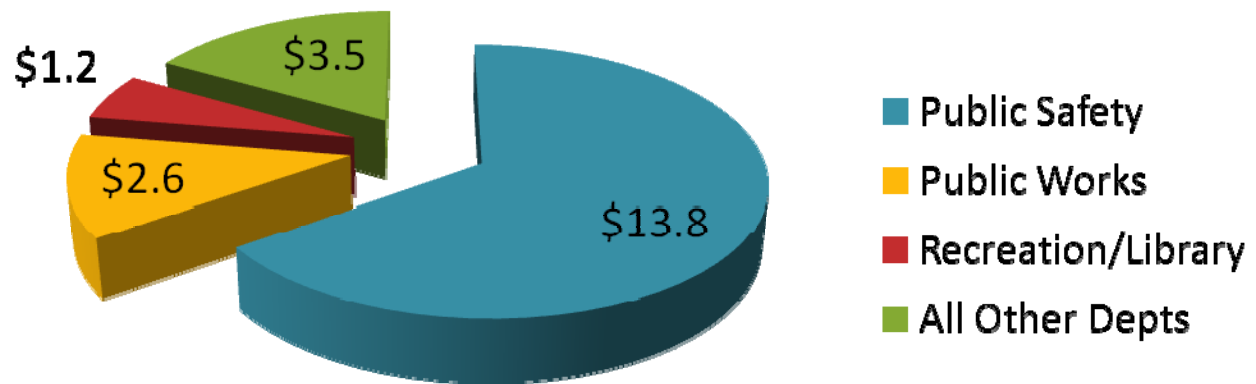
Municipal Expenses (in \$Millions)



Personnel Costs

- Like most organizations, Personnel costs (including salary, wages, taxes, health benefits and pension benefits) for our 176.5 FTEs are the largest portion of the expenses.
- The largest portion of our personnel costs come from Public Safety (Police & Fire)

Personnel Cost by Dept. (in \$millions)



Budget Gap Impact

- As introduced, this budget would result in a 17.5% municipal tax increase, if left unchanged.
- The Average Home, assessed at \$585,042, would face a municipal tax increase of \$701, plus any increase from the School District and County levy.

Post-Introduction Actions

- The Board of Trustees has now met for Budget Workshops 6 times since December 10, 2008 will meet again tonight to address this enormous challenge,.

Post-Introduction Actions

- So far, we have identified *\$1.8 million in potential additional reductions* to our tax levy, in part by realizing:
 - \$200K in savings by reducing energy costs and consumption
 - \$300K in other expense savings
 - \$200K in Additional Surplus as Revenue
 - \$1.1 Million by not filling open positions and planned layoffs

Post-Introduction Actions

- However, since the Village is currently in negotiation/arbitration with all 5 Unions to renew Labor contracts, the Village is actively working to negotiate settlements that would avert/reduce these planned layoffs and their impacts on Village services.

Bottomline

- On top of the proposed layoffs and other increases in revenue, we **STILL** face a Municipal Tax increase of around 8.5%.
- The next Budget Workshop to discuss further options is scheduled for tonight at 7:30pm.