

## Press Release

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### **Village Board Considers Fiscal Year 2009-10 Budget**

Although the Village of Clarendon Hills remains financially stable, as the economy settles into a deeper recession, it has become more and more challenging to balance the budget without significant service cuts. For Fiscal Year 2009-10, the Village is projecting decreases in many revenue streams including sales tax, income tax, and building permits and fees.

The Village's fiscal year begins May 1<sup>st</sup>. For the past seven months, the Village has worked diligently to develop a budget that is balanced, yet continues to provide essential services. During this year's budget process, the Village cut expenditures by more than \$120,000 in the General Fund, \$255,000 in the Capital Projects Fund, and \$38,000 in the Water Fund in order to ensure the long-term financial stability of the Village.

On the Clarendon Hills Village Board Meeting agenda for Monday, April 6<sup>th</sup> is first consideration of the Fiscal Year 2009-10 Budget. A public hearing and second consideration of the budget will be held Monday, April 20<sup>th</sup>. Following are highlights of the Clarendon Hills FY 2009-10 Budget.

#### Revenues

The core operations of the Village, supported by General Fund revenue, include police and fire protection, public works, community development, and administrative functions. General Fund revenues for FY 2009-10 are projected at \$5.83 million (an increase of just 1.8% from the prior year). General Fund revenues are collected from a variety of sources including property tax, licenses, permits, grants, sales tax, use tax, income tax, service charges, fines, interest earnings, and franchise fees. Property taxes remain the primary source of funding for core Village services at 54% of General Fund revenues. The Village continues to seek additional revenue sources in order to protect the financial health of the Village and reduce the reliance on property tax.

As a result of rate increases passed by the City of Chicago which represent 15% per year over a three year period, the Village will need to increase water rates to fund the water utility and critical infrastructure improvements. As a result of the Chicago increases, the DuPage Water

commission has passed this increase onto the Village. The final water rate increase of 15% will occur in May 2010.

Expenditures

Overall, expenditures in the General Fund will increase 1.8% while overall departmental expenditures will see a decrease of 1.2%. A serious commitment was made by the Village to reduce costs in an effort to balance the budget while maintaining vital services.

This year, the Village has focused the road program to perform road improvements to Churchill, Grant, and the 200 block of Hudson which were not previously included in the Village's original road program. The Village's intent is to establish a special service area (SSA) for these streets which would fund 60% of the road improvement program. The remaining 40% would be funded by the Village and is budgeted in the Capital Projects Fund.

During these road improvements, the Village will also be replacing the water main on the 200 block of Hudson that will be funded entirely by the Village. The Village has applied for stimulus funding from the Federal Government to assist the Village in completing additional capital projects. Should the Village receive funding, additional water mains may also be replaced.

One final item in the Capital Project Fund that is contingent upon grant funding is professional assistance for a Metra lot site analysis. A site analysis is a necessary first step to redeveloping the Metra lot and surrounding properties as identified in the Village's Downtown Master Plan. For the last two fiscal years, the Village has set aside funding for this service but has opted not to perform the work anticipating downturn in the economy.

The Village will continue to closely monitor the budget throughout the fiscal year and seek grants and sponsorships from outside sources to offset expenditure levels. Should revenues continue to decline further, service cuts may be required to protect the financial health of the Village. The Village will keep residents informed of any changes. Based on current projections, the recession will significantly affect Village revenues for the next two to three years. The Village has prepared for these tough financial times by adamantly holding the line on expenditure and service levels in prior years while enjoying broad economic growth.

A copy of the proposed FY 2009-10 Budget is available for review at the Village Hall and the Clarendon Hills Public Library. The final budget will be available in early May.

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