



BUDGET IN BRIEF

Village of Clarendon Hills Fiscal Year 2014– 2015

August 2014

Village Board Approves Budget

On April 21st the Village Board approved the 2014-15 budget. This document is designed to give an overview of the budget.

The Village is still faced with slow growth this year. General Fund revenues are only projected to increase by 0.7% in the coming fiscal year. Overall General Fund expenses are expected to increase by 7.9% from the prior year-end, resulting in part from the transfer of \$1.45 million in excess fund balance to the Capital Fund, in accordance with the Village's General Fund Balance policy.

General Fund *Departmental* Expenses (overall expenses, minus transfers to capital, contingency, sales tax rebates, banking fees, and Tri-state Fire Protection District reimbursement) are expected to increase by 5.5% or \$308,075 this year. Of that amount, \$110,000 is due to new special projects in the Community Development Department. The special projects generally relate to the implementation and validation of the downtown master plan project and other long-term planning efforts. It is hoped that grants will be identified to significantly offset some of these expenditures. More information on these projects is available in the formal budget. Without the addition of these short-term Community Development special projects, the Fiscal Year 2014-15 Departmental Expenditure figure would increase by only 3.5% from the prior year-end. Total employee wages only increased by \$68,699 under the FY 2014-15 budget plan. This accounted for only 1.2% of the departmental expenditure increase planned for the year.

Major Projects Capital Spending

The budget provides a detailed listing and narrative for each of the proposed capital projects for FY 2014-15. An updated ten year capital plan for the Village is included along with ten year plans for each of the individual departments. All projects require Board approval prior to initiation. \$486,395 will be reserved for the future replacement of the Village's vehicles, machinery and equipment. At FY 2014-15 year-end, a total of \$1,352,920 will have been reserved for future capital needs.

The long term capital plan includes an acceleration of the annual road improvement and water main replacement programs beginning with FY 2015-16. This plan would allow for the completion of this round of road improvements in Fiscal Year 2018-19. It would reduce the capital fund balance more rapidly between now and FY 2018-19, but it would allow several years before the next road program began to replenish the fund again. The acceleration would also allow the Village to take advantage of historically low interest rates and construction costs. If construction costs accelerated by 3% per year, this change in the process would save the Village approximately \$470,000 over the life of the road program. Corresponding acceleration would occur in the water fund as well.

"With the beginnings of an improved economy before us, this year's budget includes projects that will allow the Village to focus farther in the future than in recent years. "

- Budget Transmittal Letter

For more Information:

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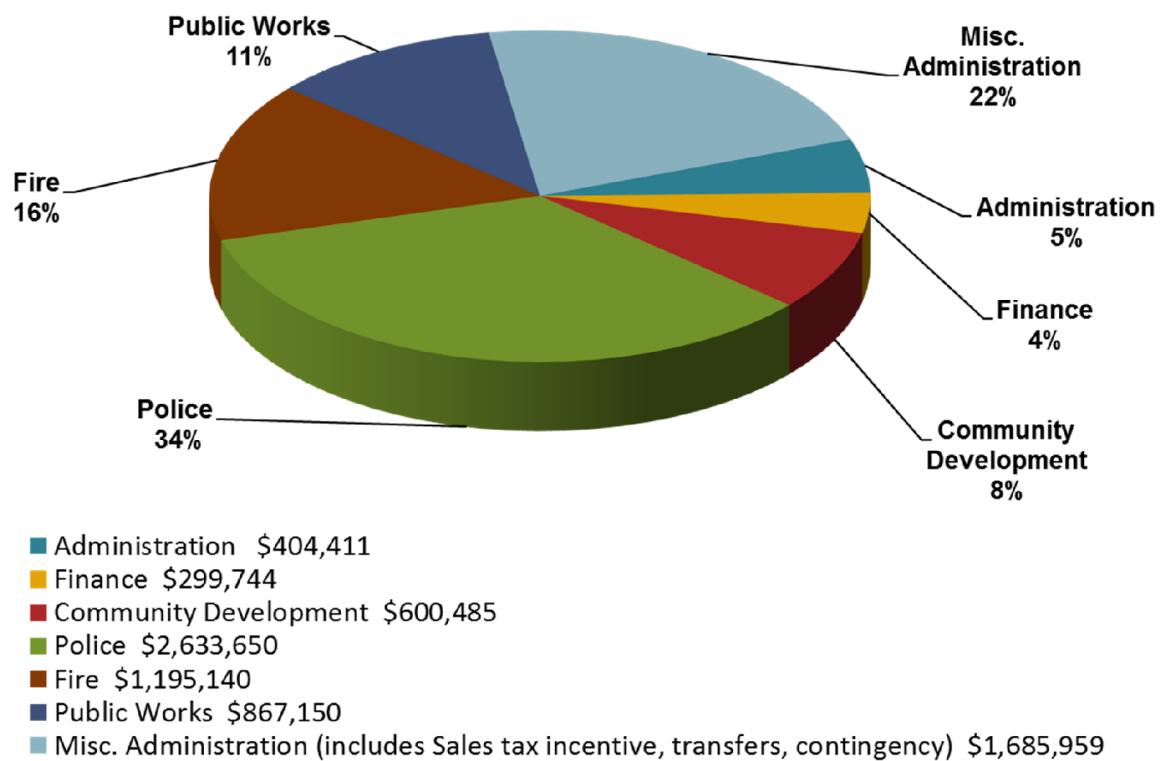
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Zach Creer

Assistant to the Village Manager

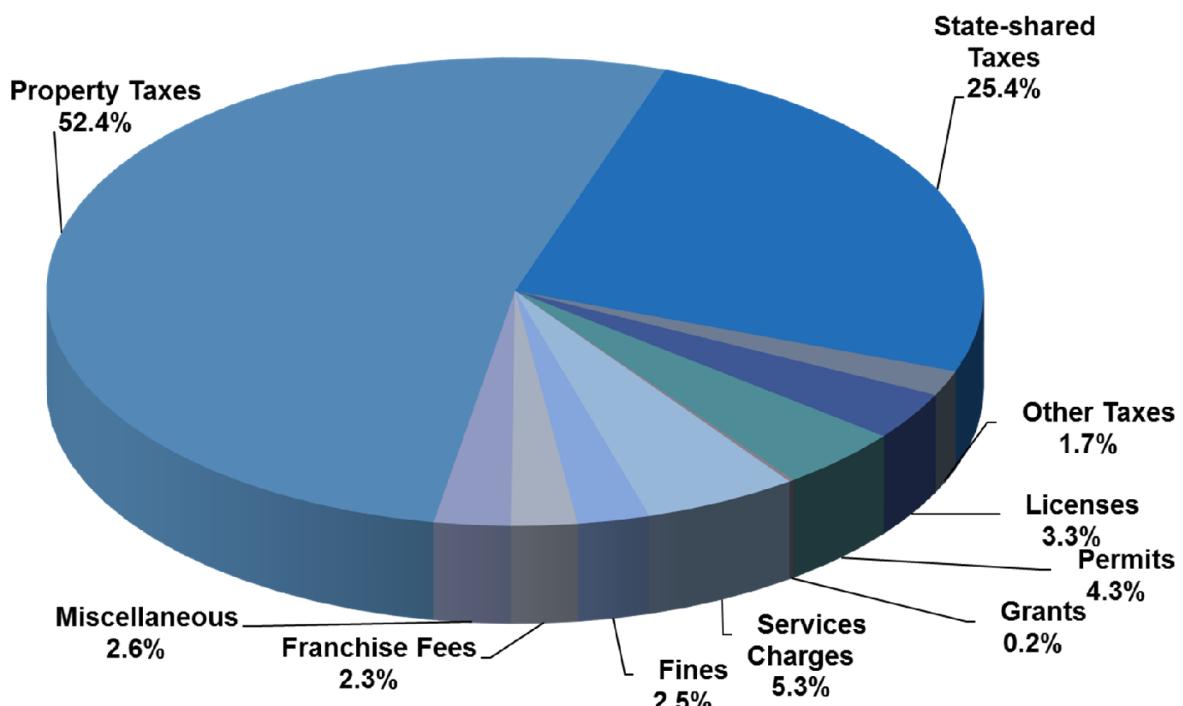
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General Fund Expenses by Source

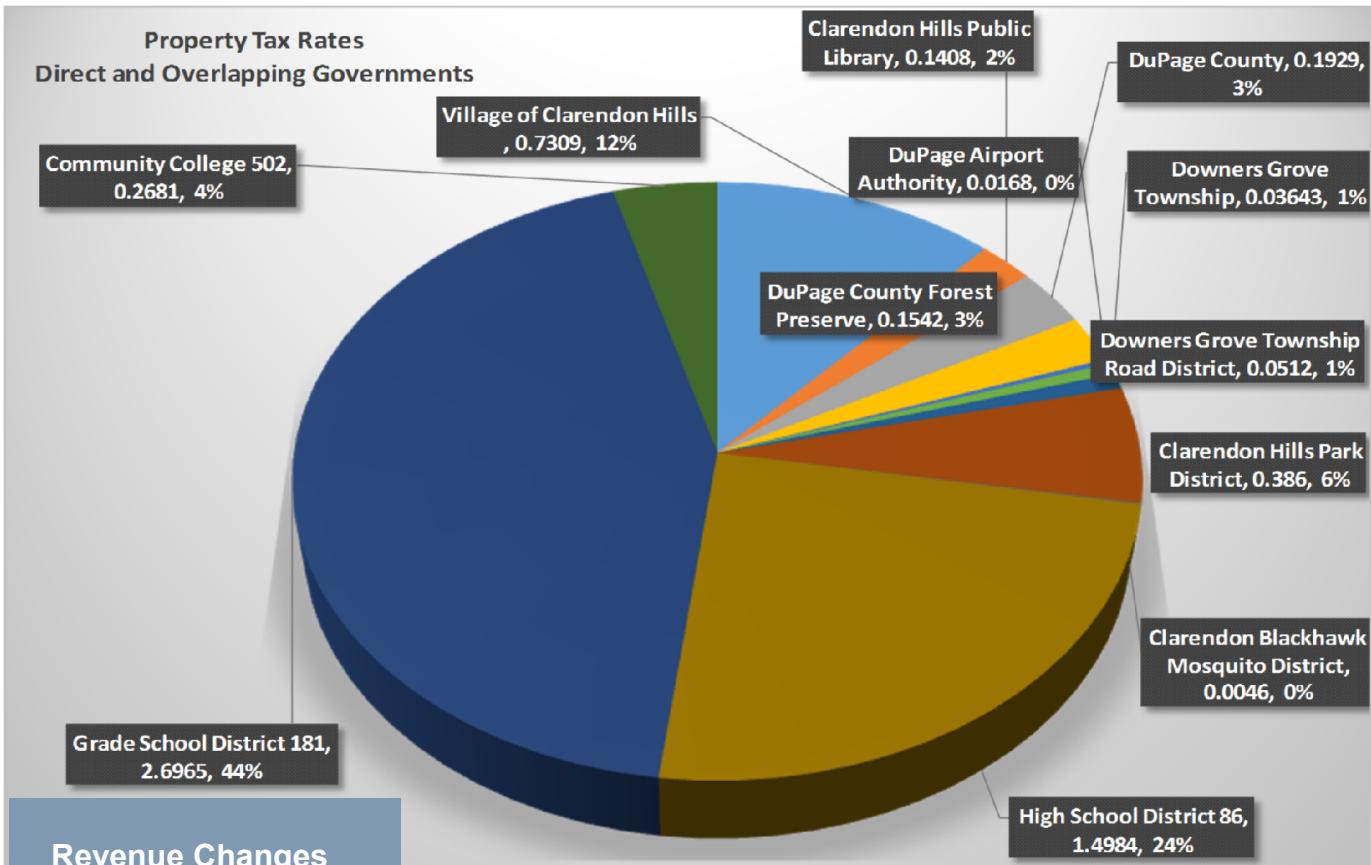


The largest expense for the Village general fund is the police department, Misc. Administration is the second largest which is mostly made up of transfers for capital projects.

General Fund Revenue By Source



For revenues, property taxes are the most important revenue sources due to the lower amounts of retail in town. State shared revenues which includes sales taxes, income taxes and telecommunication taxes are the second most important.



Revenue Changes

General Fund

From 2014-2015 the only rate change in general fund fees/taxes was a CIP increase in building department fees and in property taxes.

Water Fund

On May 2014, water rates increased to \$11.87 per 1,000 gallons. This increase is made up largely of the increases in water supply costs passed on by the City of Chicago through the DuPage Water Commission. It also includes increased capital expenditures to replace aging water main throughout the town per the village's policy to catch back up on improvements after the great recession.

Distribution of property Taxes, the Village only makes up 12%

Major Changes from last year

Changes In Policy

- Increased fund balance required to 50% of expenditures
- End of the automatic transfer from the General Fund to the Capital Fund
- 100% of Water Tower lease revenues allocated to General Fund

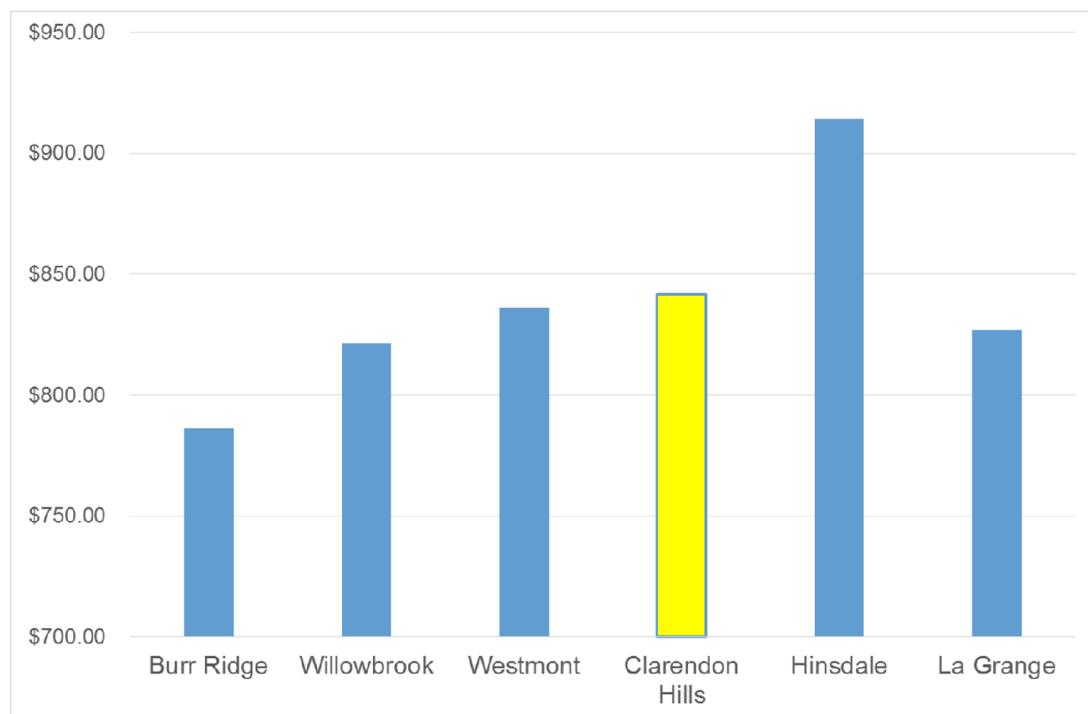
Contingency Budget Reduced

- In FY 2013-14, \$200,000 was budgeted for contingency
- Reduced to \$50,000
- Wages are budgeted within departments
- Makes certain line items appear larger

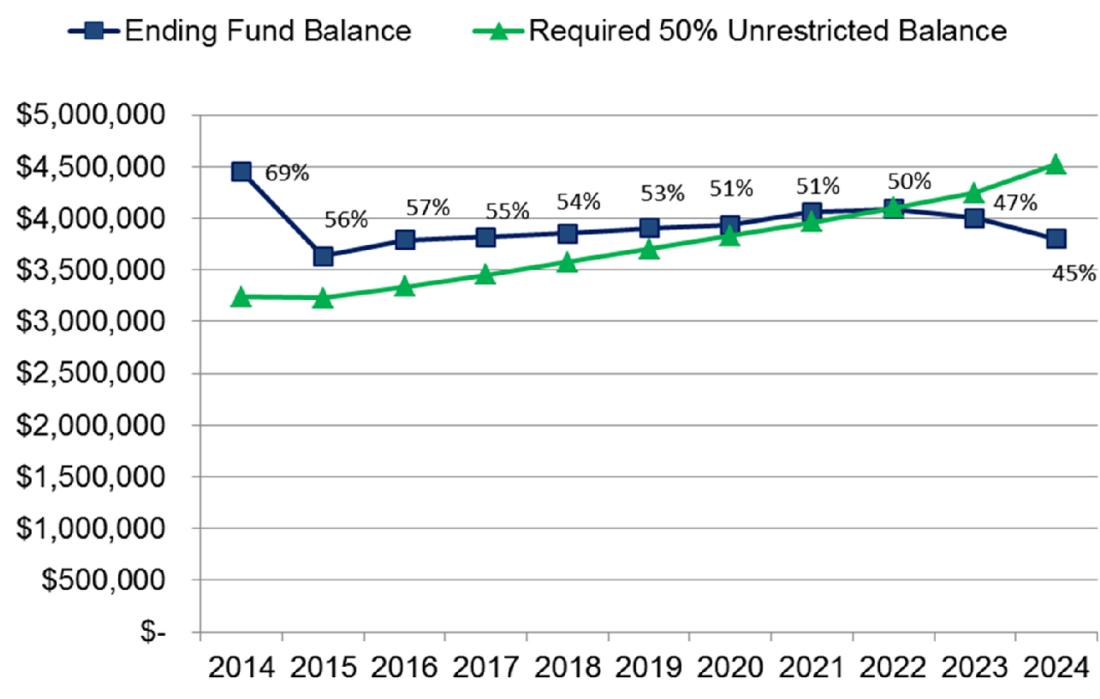
Change in Cost Allocation from General Fund to the Water Fund

	FY 2014-15	FY 2013-14
PRESIDENT, CLERK, BOARD	\$ 10,843	\$ 11,350
PUBLIC RELATIONS (Trustee Topics)	640	3,750
LEGAL	31,722	15,000
VILLAGE HALL MAINTENANCE	0	6,500
GENERAL MANAGEMENT	140,054	102,810
FINANCE (Includes UB Clerk)	212,062	202,045
INFORMATION TECHNOLOGY	32,279	19,000
COMMUNITY DEVELOPMENT	0	60,000
TOTAL COSTS ALLOCATED TO WATER	\$ 427,600	\$ 420,455

General Fund Expenditures per Capita



Projected General Fund Balance



The Village uses a number of other villages as benchmarks. A study conducted by the Village of Bartlett in November 2013 revealed the Village of Clarendon Hills ranked 35th out of 40 surrounding communities in employees per capita. For our immediate neighbors Village of Clarendon Hills is middle of the pack per capita expenditures in General Fund due to large transfers for capital spending.

The financial future of the village is strong, but not without threat. At the current pace, general fund balance would decrease below 50% of expenditures in 2022. The State continues to threaten shared revenues which make up 25% of the Village's revenue.