

**Village of Oswego, Illinois**

**Principal Officials**

**Fiscal Year 2007/2008 Budget**

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Board of Trustees

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Village of Oswego  
Illinois**

For the Fiscal Year Beginning

**May 1, 2006**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **Village of Oswego, Illinois** for the Annual Budget beginning May 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. The Village of Oswego believes its current budget continues to conform to program requirements and is submitting it to GFOA to determine its eligibility for another award.

## Table of Contents

	<u>page</u>
General Information.....	i – vii
How to Use This Budget.....	viii - ix
 <u>OVERVIEW</u>	
Transmittal Letter.....	1 - 2
Budget Message.....	3 - 24
Budget Development Timeline.....	25
Village of Oswego Organizational Chart.....	26
 <u>FINANCIAL SUMMARY</u>	
Financial Summary.....	27 - 30
Revenue Summary.....	31 - 37
All Fund Revenues.....	38
All Fund Revenues by Source Summary.....	39
All Fund Expenditures.....	40
All Fund Expenditures by Category Summary.....	41
General Fund Revenues.....	42
Interpretive Notes on Charts and Graphs.....	43
General Fund Operating Revenue (Chart).....	44
General Fund Selected Revenue (Chart).....	45
General Fund Expenditures by Department Summary.....	46
General Fund Operating Expenditures by Department (Chart).....	47
Interpretive Notes on Fund Summaries.....	48
General Fund: Fund Balance Analysis.....	49
Fund Summary.....	50
Capital Expenditures by Department.....	51 - 52

New Staffing Expenditures by Department.....	53 - 54
Operating Budget Impact of Capital and Staffing Improvements.....	55 - 56
Summary of Significant Accounting Policies.....	57 - 59

GENERAL FUND

General Fund Departments

Corporate Overview.....	60 - 68
Corporate Organizational Chart.....	69
Corporate Summary.....	70
Corporate Operating Expenditures (Chart).....	71
Corporate Detail.....	72 - 76
Building and Zoning Overview.....	77 - 82
Building and Zoning Organizational Chart.....	83
Building and Zoning Summary.....	84
Building and Zoning Operating Expenditures (Chart).....	85
Building and Zoning Detail.....	86 - 88
Community Development Overview.....	89 - 93
Community Development Organizational Chart.....	94
Community Development Summary.....	95
Community Development Operating Expenditures (Chart).....	96
Community Development Detail.....	97 - 99
Road and Bridge Overview.....	100 - 105
Road and Bridge Organizational Chart.....	106
Road and Bridge Summary.....	107
Road and Bridge Operating Expenditures (Chart).....	108
Road and Bridge Detail.....	109 - 112
Police Department Overview.....	113 - 121
Police Department Organizational Chart.....	122
Police Department Summary.....	123
Police Department Operating Expenditures (Chart).....	124
Police Department Detail.....	125 - 129

MOTOR FUEL TAX FUND

Motor Fuel Tax Fund Overview.....	130 - 131
Motor Fuel Tax Fund Summary.....	132
Motor Fuel Tax Funds Expenditures (Chart).....	133

SPECIAL CENSUS FUND

Special Census Fund Overview.....	134 - 135
Special Census Fund Summary.....	136
Special Census Fund Expenditures (Chart).....	137

## ENTERPRISE FUNDS

### Water and Sewer Fund

Water and Sewer Fund Overview.....	138 - 141
Revenue Summary.....	142
Expense Summary.....	143
Expense Summary (Chart).....	144
Operation and Maintenance Detail.....	145 - 149
Capital Detail.....	150

### Garbage Collection Fund

Garbage Collection Fund Overview.....	151 - 152
Garbage Collection Fund Summary.....	153
Garbage Collection Fund Expenses (Chart).....	154

## CAPITAL PROJECTS FUND

Capital Improvement Fund Overview.....	155 - 156
Capital Improvement Fund Summary.....	157
Capital Improvement Fund Expenditures (Chart).....	158

## BOND RETIREMENT FUND

Debt Service Fund Overview.....	159 - 160
Debt Service Fund Summary.....	161
Debt Service Fund Expenditures (Chart).....	162
Debt Service Fund Detail.....	163

## RETIREMENT FUND

Police Pension Fund Overview.....	164
Police Pension Fund Summary.....	165
Police Pension Fund Expenditures (Chart).....	166

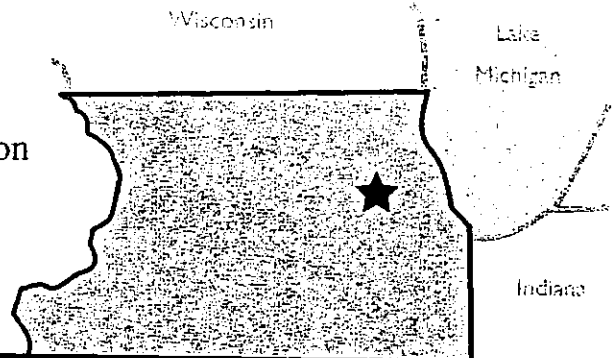
## GLOSSARY

Glossary.....	167 - 174
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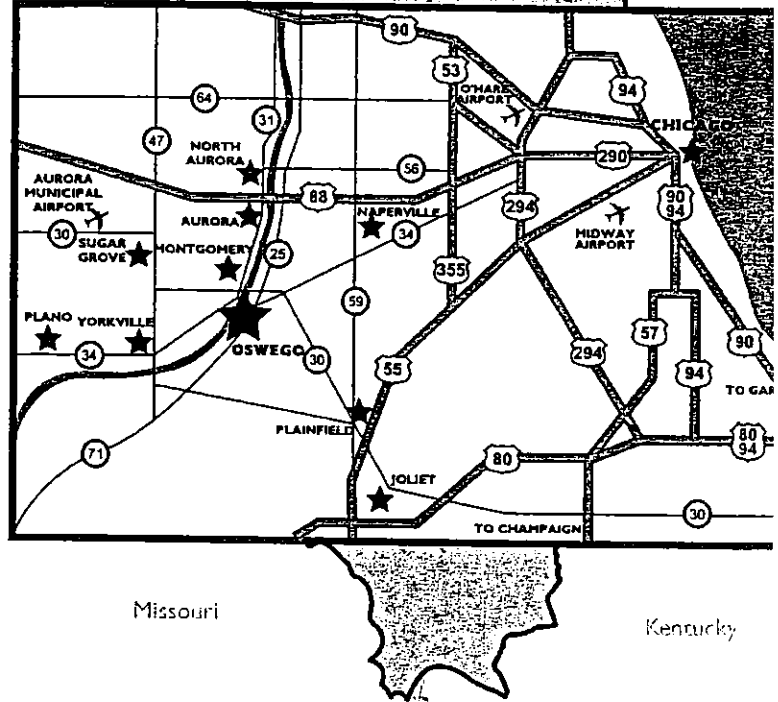


## Oswego, Illinois Location and Description



### GENERAL INFORMATION

The Village of Oswego is located approximately 50 miles southwest of the Chicago Loop in the northeast section of Kendall County at the border of the three “collar” counties: Will, Kane and DuPage. This four county area is recognized as one of the most rapidly growing regions in Illinois and the Midwest. The Village is located within a short distance of the City of Aurora and the Village of Naperville, the two largest municipalities in the metropolitan area outside the City of Chicago. The Village of Montgomery is immediately north and adjacent to the Village of Oswego. The county seat of Kendall County, the City of Yorkville, is five miles southwest of the Village.



The first permanent settlers came to the area in 1833. At the time, Waubensee, principal war chief of the Potawatomi Indians, still lived nearby on the banks of the Fox River. A creek that winds through the Village, a nearby high school and the area’s community college are each named in honor of Waubensee. In 1835, two businessmen platted Oswego and called the town Hudson, but the name was changed in 1837 when a post office was established. The new name, Oswego, taken from a town in the state of New York, is a Mohawk Indian word for “mouth of the stream” and refers to the Waubensee Creek flowing into the Fox River. In 1845, the four-year-old Kendall County government was moved to Oswego, but was moved back to Yorkville in 1864 based on the desire of a more central location for the county seat. Oswego was formally incorporated as a village in 1852.

The Village first developed and prospered as an agricultural community and as a stopover point for stagecoach travelers on the Chicago-Galena Road (U.S. 34) and the Chicago-Ottawa Trail (Illinois Route 71). A dam was constructed at the crossing of the Fox River at this location and river power was used to operate a sawmill, a grain mill, brewery, creamery and other commercial activities in the Village for the first one hundred years of its existence. Beginning in 1950, large industry moved to Oswego Township. Caterpillar Tractor Company, Western Electric Company and other industries

were established in the Village of Montgomery and City of Aurora north of the Village. These industrial activities encouraged residential growth. The unincorporated community of Boulder Hill, adjacent to the Village of Oswego, was started at this time. Boulder Hill is now the largest unincorporated planned community in the State with a population of approximately 11,025. A small part of Boulder Hill is now located within the corporate limits of Oswego.

The Village of Oswego's population was 1,220 at the 1950 Census. The Village's population increased only slightly to 1,510 at the 1960 Census and to 1,862 at the 1970 Census, with more significant increases at the 1980 Census to 3,021 residents. The 1990 Census showed population had risen to 3,876, an increase of 28.3%. Population growth since 1990 has been very strong with Special Censuses in 1994 (5,517), 1996 (8,286), and 1997 (9,100). The Village's population at the 2000 Census was 13,326, an increase of 243.8% from the 1990 Census. A Special Census was conducted in the spring of 2004 that saw population of the Village grow to 19,956, an increase of 49.8%. There is another Special Census planned for FY 06/07, which will most likely start in the fall of 2006. Village staff believes the current population to be between 22,000 and 23,000. The Village is projected to have a total population of 50,000 by the year 2030. The land area of the Village is approximately 13.64 square miles.

As part of the eight-county Chicago metropolitan area, Oswego benefits from the area's highly developed transportation network. A tollway interchange at Orchard Road and I-88 (the East-West Tollway) and the improvement and extension of Orchard road to U.S. 34 in Oswego provided an important new connection to the growing western part of the Village. Major highways which serve the Village include U.S. 34 (Ogden Avenue); U.S. 30; and Illinois routes 71, 25 and 31. Other north-south routes near the Village include Illinois 59 to the east and Illinois 47 to the west. Access to the nation's interstate highway system is provided by I-88 (10 miles north of the Village), I-55 (10 miles east), and I-80 (18 miles south). O'Hare International Airport and Midway Airport are 33 and 36 miles northeast of the Village, respectively. Private and corporate aircraft are based in Aurora Airport and DuPage Airport, which are each about 15 minutes from the Village. Commuter rail service is available at Aurora's Transportation Center northeast of the Village. The Village completed a Park and Ride facility at the beginning of FY 04/05 that allows residents the convenience of a parking lot in the Village and public transportation running to the Aurora commuter rail service. Usage of the Park and Ride has steadily increased over the last three years, strengthening the position of the Village of Oswego with its desire to secure a Metra stop within the incorporated area of the Village.

## **ECONOMIC INFORMATION**

The Village of Oswego is an established residential community with above-average wealth and housing values. The Village's median family income at the 2000 Census of \$75,929 was 9.4% greater than Kendall County's \$69,383 and 36.7% greater than the State of Illinois' \$55,545. Similarly, the Village's 2000 per capita income of

\$27,204 was 8.0% greater than Kendal County's \$25,188 and 17.7% greater than the State's \$23,104. The Village's median household income of \$71,502 at the 2000 Census was 10.6% greater than Kendall County's \$64,625 and 53.5% greater than the State's \$46,590. The Village's median home value of \$171,200 was 10.5% higher than Kendall County's value of \$154,900 and 30.9% greater than the State's \$130,800.

While the 2000 Census data concerning home values has been published, more recent data has been published in the Chicago Tribune that reflects the Village's strong housing values. In the most recent published data for the third quarter of 2006, approximately 375 homes in the Village were sold through the Multiple Listing Service (MLS). The median purchase price was \$285,000.

The population of Oswego is made up of a much diversified work force. Based upon the 2000 Census, the largest segment of the working population works in the retail and wholesale industry. Oswego's retail district has been growing very rapidly in the last several years and this demographic is a good indication of the level of growth. Education, health and social services is the second largest employment area for Village residents. The size of the student population in Oswego School District 308 is growing as fast as the Village is and the need for educators is growing just as fast. The third largest employment area is manufacturing. There are two large manufacturers in the area - Caterpillar and Molex. Caterpillar builds heavy construction equipment and Molex is a plastic injection-molding producer.

Oswego's unemployment rates have improved over the last two years from the higher levels seen at the beginning of the decade. 2006 saw the unemployment level decrease 4.8% in 2005 to 4.7% in 2006. Rates were in the 7% to 8% range just a few years ago. This is a strong indication that the financial stability of the Village has improved and the leadership of the Village is confident this trend will continue. The Village takes part in an annual job fair that is held at the Oswego High School. Part of the Village's overall commitment to the community is to ensure a stable employment base within the Village.

## **GROWTH**

### **Residential**

As was mentioned previously, prior to 1950, Oswego was primarily a commercial and service center to surrounding agricultural areas. By the mid-1950's, Caterpillar and Western Electric announced plans to locate facilities within Oswego Township. These plants led to the development of the Boulder Hill subdivision north of the Village. In the mid-1980's, the home building boom in Aurora and Naperville spread west and Oswego saw increasing numbers in housing starts each year. Annexations were encouraged by the Village in order control the development that it was experiencing. The Village saw its boundaries increase: now the Village limits are west of the Fox River and moving eastward and northward to U.S. Route 30. The Village's population in 1990 was 3,875,

grew to 13,326 by 2000 and was at 19,956 in early 2004. The Village's estimated population stands between 25,500 and 26,500 in early 2007.

### **Industrial and Commercial**

With the rapid increase in population has come a demand for additional commercial and industrial development. The Village currently has two business parks that are almost fully occupied, including the 300-acre Kendall Point Business Center and the 60-acre Stonehill Business Park. A 70 acre expansion of the Stonehill Business Park is currently being developed; approximately two-thirds of the lots have been sold and buildings have been constructed on about half of the sold lots. To date, the two largest tenants are the Village of Oswego's Public Works facility, which is 22,000 square feet, and the Dreyer Medical Clinic, which is 25,000 square feet. Another business park area in the Village is the Highland Business Center. This area is an even blend of commercial and manufacturing. The largest business in the Highland Business Center is Afinsen Assembly, which is a plastic injection molding company. Afinsen relocated their manufacturing and headquarters into 1 112,000 sq. ft. facility. There are further plans for industrial and office development in the Orchard Road corridor, north of the Burlington Northern Santa Fe rail line. There are two sites that combine for more than 250 acres.

There are five existing commercial centers within the Village: Mason Square, Townes Crossing, Oswego Commons, Oswego Plaza and Washington Square. The largest of these is the Oswego Commons. With 500,000 square feet of space, the Commons is a regional retail center, whose largest tenant, Home Depot, opened its doors in December, 2001. The other two large boxes, Target and Dominick's food stores, both opened in March, 2002. There are many other tenants, including: Chili's, Office Max, TJ Maxx, Panera Bread, Red Robin and Giordano's. Townes Crossing opened in 1989 and its largest tenant is Jewel-Osco. It has approximately 19 stores and a 10 screen movie theatre. Mason Square encompasses 44 acres that is almost completely full. Mason Square's major tenant is AmericInn, a 56 room hotel that was completed in early FY 04/05. This is the second large scale lodging facility in the Village. A Holiday Inn opened next to Townes Crossing in 1999.

There are two commercial developments whose impact on the Village of Oswego started in FY 2006/2007 but will truly be felt in FY 2007/2008. The largest, Prairie Market, will include a 203,000 square foot Wal-Mart Supercenter and a Kohl's that opened in October, 2006 and a Lowe's that opened in January, 2007. The other large retailers in the Prairie Market development are Best Buy, opening in May 2007 and Dick's Sporting Goods and Walmart, both opening in August, 2007. TGI Friday's and Famous Dave's restaurants will also be opening in late summer. The next largest development, Centennial Plaza, will include a 220,000 square foot Meijer's retail store which will open in May, 2007. There are several large retail stores in each of these developments, including Bed Bath & Beyond, Michael's and Old Navy. Buffalo Wild Wings and Circuit City will open in late summer, 2007. These two centers will span 151 and 57 acres, respectively, and further solidify the Village of Oswego's draw as a major regional retail destination.

In addition, commercial development has begun in the Orchard Road corridor with two new developments: Orchard Way and Oswego Junction. Orchard Way is a 60-acre project on the northwest corner of Orchard Road and Route 34 that will be anchored by Jewel-Osco. Several out lots have been developed, including Walgreens and Chase bank. Oswego Junction is a retail/restaurant development on four acres, at the northwest corner of Orchard and Mill Roads.

Private investment is also taking place in Downtown Oswego. Washington Place, a 27,000 sq. ft. retail/office building was completed in Summer, 2006 and is now fully leased. The tenants include two new restaurants: Emmett's Ale House and Camille's Sidewalk Café. Two new commercial projects are slated for the downtown this year: a five-acre site on Route 31 that will include an upscale restaurant; and a restaurant site at the corner of Main and Jackson Streets. The Village approved the Studio Shops at River Run, an upscale retail and restaurant development along the Fox River. Also, the Village expects plans to be submitted for the redevelopment of the Alexander Lumber site in FY 2007/2008.

More than 225,000 square feet of new office development is either planned or under construction in the Village. This includes Kendall County's first office park, called Falcon Landing, which will have 72,000 square feet of professional office space and Edward Health Care, which is building a 20,000 square foot facility on Orchard Road.

## **GOVERNMENTAL SERVICES**

### **Village Government**

The Village of Oswego is governed by a Village President and six Trustees elected at large to overlapping four year terms. The appointed Village Administrator is responsible for the day-to-day administration of the Village and its 134 employees. There are no collective bargaining units for the Village employees. The Village's administrative offices are located in the Village Hall.

The Village Hall is in the Village's downtown area and is well past its useful life. The Village has the need to add staff but is hampered by the lack of office space to place new employees. Planning for a new Village Hall began in FY 2004/2005 and continued in FY 05/06 with the hiring of an architect, securing the site and issuing the bonds to finance the project. In FY 2006/2007, the design for the building was finalized and construction began in spring 2007. Construction is planned to be finished by late 2007 or early 2008 with the move in date scheduled for early 2008. The current cost estimate for the new Village Hall, including land acquisition is almost \$12 million.

The Police Department of the Village is located on Route 34 across the street from the Fox Bend golf course. The facility was built in 1991 and is approximately 23,000 square feet. However, the facility will need renovations in the very near future to accommodate the growing police force. The building has space in its basement but does

not have any further expansion possibilities past its existing structure. According to the Village's five year capital plan, the basement will be built-out in FY 2008/2009. However, a new Police facility will probably need to be constructed not long after the current facility is fully built-out.

The Public Works department is located in the new Public Works facility located in the Stonehill industrial park at 100 Theodore Drive. The facility opened in December 2002, is 22,000 square feet and was constructed for \$2.8 million. The facility is expandable to meet future growth demands and has additional vacant, Village owned land surrounding it. In fact, at the pace the department is growing in order to keep service levels at the current high levels, the capital plan has planned that there will need to an addition to the current facility in FY 2008/2009. Planning and design for that expansion will start in FY 2007/2008.

The Village has taken steps to plan for and guide the fast pace of growth it has experienced for the last ten years. The Village Board adopted the Downtown Comprehensive Plan in 1999 which has guided the improvement process the Downtown area has experienced. The FY 2007/2008 has included an updated Downtown Comprehensive Plan. The Village's Comprehensive Plan was last updated in 2000 and updating began in FY 2004/2005 and was completed by the end of FY 2005/2006. The Comprehensive Plan is the strongest planning "voice" in the development process in the Village.

The Village owns and operates a water supply system and a wastewater delivery system. The Villages system consists of seven deep wells and four water towers that serve as storage facilities. The towers have capacities in excess of three millions gallons. The Village, in conjunction with its engineering firm, plans for the increase in the systems size on a continual basis. Currently, there are over 9,600 water accounts but this amount grows every month, especially during the warm weather months. Average daily consumption is approximately 2.5 million gallons, up almost 100,000 gallons from last year. Fox Metro Water Reclamation District treats all wastewater that the Village's wastewater delivery system handles. In Fiscal Year 2004/2005, the Village had state-of-the-art equipment installed at its five existing well sites for removing the radium in the Villages water supply. Radium is a naturally occurring radioactive particle in ground water. All new well sites, including the two that have since been constructed after the original five, will be constructed with the radium removal equipment as a standard part of the construction process.

The Oswego Economic Development Corporation (OEDC) is a public-private partnership whose purpose is to bring commercial and industrial businesses to the Village. The OEDC has four staff members, the Executive Director, Director of Marketing, Office Manager and Project Manager. The Oswego Visitor's Bureau is a program of the OEDC and is run by the OEDC's staff. The Visitor's Bureau markets the Village of Oswego as a tourist destination. Additionally, the OEDC works with Oswego School District 308 on an internship program that provides the OEDC with intern help occasionally throughout the school year. The Village of Oswego makes annual

contributions to the OEDC and works very closely with it on matter of economic opportunities.

### **Schools**

The Village of Oswego is served by the Community Unit School District 308. The district has twelve elementary, four junior and two senior high schools. The district is continually planning for the growth the Village will go through and increase facilities as it sees fit. District 308 covers 68 square miles and the 06/07 enrollment population is 14,063 students.

Waubonsee Community College District 516 serves the Village of Oswego. The main campus is just north of the Village in Sugar Grove and there is a satellite campus just north of the Village in Aurora. Three nearby four-year institutions include Aurora University, North Central College in Naperville and Northern Illinois University in DeKalb.

### **Park District**

The Oswegoland Park District operates park and recreational facilities in and around the Villages corporate limits. The District's area is approximately 36 square miles and is over 742 acres. The largest amenity, Fox Bend Golf Course, is 14 acres and in 2006 became solely owned by the Park District after ownership had been shared with the Fox Valley Park District. This is a championship sized golf course and is consistently rated in the top 20 public courses in the Chicagoland area. Other amenities for the Park District include two community centers, two outdoor swimming pools, one which has a water park, outdoor tennis courts, bike trails, baseball and soccer fields and a skate park.

### **Library**

The Oswego Public Library District has served the Village since 1964. It has been enlarged no less than three times and is now at 20,500 square feet. It owns over 157,729 volumes and resources and estimated that there were 254,042 visitors to its facilities over the last year. The Library is part of the Heritage trail Library System which enables users to utilize facilities of other member libraries.

### **Fire Protection**

The Oswego Fire Protection District is manned by 75 full-time and paid-on-call firefighters. It provides fire protection and emergency medical services to a 64 square mile area with over 50,000 residents that includes the Village of Oswego. The district just opened its fourth station in January, 2006 and has plans for a fifth, central station in the coming years.

## **How to Use This Budget**

The Budget is organized to maximize ease of handling and clarity of purpose. The sections it is divided into each serve a specific purpose. The following are the major sections of the Budget:

### I. Overview

The Overview explains major budgetary trends in the areas of programmatic and fiscal policies.

### **Transmittal Letter**

The Transmittal Letter details the major financial concerns, trends or future possibilities that are addressed in the Budget. What this means is that a major economic impact to the Village, perhaps the closing of a major retail store in the Village, will be clearly articulated in the Transmittal Letter. The Transmittal Letter also sets the legal framework for the Budget.

### **Budget Message**

The Budget Message provides a descriptive overview of the Budget process, the Village Board's goals and the means by which the Budget will accomplish those goals. There are summaries of each department detailed in the Budget. Fiscal policies, debt management and a description of the Budget process, which contains a timeline and organizational chart, are included.

### II. Financial Summary

The Financial Summary describes the major financial trends in the Budget. It compares revenue and expenditures over a multi-year period. The Financial Summary contains the significant accounting policies guiding the budget.

### III. General Fund

The General Fund contains the majority of the departmental budgets. Each departmental budget follows a specific format.

- Department Function – the introduction to each department is titled “Department Function” and it explains the scope of services provided by the department.
- Prior Fiscal Year Objectives: Status - this is a review of the department's accomplishment of its objectives from the previous fiscal year.
- Current Year Objectives - the department's current year's objectives are detailed here and are based upon the Board's goals for the year and departmental objectives.



- Performance Measures - almost all departments have a quantifiable measuring rule; if so, these items are presented in a chart format and in a multi-year format, where allowable.
- Staffing – staffing patterns for the department are presented on a multi-year basis.
- Organizational Chart - the organizational chart provides the structural authority in each department.
- Departmental Budget Summary - a three year summary of expenditures, actual, budgeted, estimated and proposed are presented along with the percentage change from the prior fiscal year to the proposed.
- Graphical Departmental Budget Summary - this is a graphical presentation of the Departmental Budget summary
- Departmental Budget Detail – the major categories contained in the Department Budget Summary are explained in detail.

#### IV. Other Funds

Other funds are cost centers for expenditures and revenues that must be accounted for on an independent basis. These funds include a Special Revenue Funds (Motor Fuel Tax and Special Census), a Capital Projects Fund (Capital Improvement), Enterprise Funds (Water and Sewer and Garbage Collection), Debt Service and Fiduciary Funds (Police Pension).

#### V. Supplemental Schedules

Included in this section is a glossary of terms.

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**Village of Oswego, Illinois  
Fiscal Year 2007/2008 Budget**

Village President Craig Weber  
Board of Trustees  
Village of Oswego, Illinois

Dear President Weber and the Board of Trustees:

Transmitted, herewith, is the budget for the Fiscal Year beginning May 1, 2007 and ending April 30, 2008. The budget is \$33,522,255 for all funds, including transfers. The General Fund budget is \$13,086,674, including transfers to the Police Pension Fund and Debt Service Fund. Operating revenues of \$13,208,643 exceed expenditures by \$121,969, leaving the anticipated April 30, 2008 General Fund Fund Balance at \$4,976,231. This Fund Balance amount represents a 4.6 month reserve for the General Fund.

The Village of Oswego operates under the Budget Act as defined in Chapter 65, Section 5/8-2-9 of the Illinois Compiled Statutes. These state statutes require the Board to adopt the budget prior to the beginning of the fiscal year to which it pertains. The law also provides that the budget shall serve as the annual appropriations ordinance.

Adopting and monitoring the budget to ensure the financial stability of the Village is one of the major functions of the Board. The budget process affords the Village Board the opportunity to balance the needs of the community against available resources. The budget does not constitute a mandate to spend; only the authority to do so.

Many challenges were faced while producing the budget for Fiscal Year 2007/2008 for the Village of Oswego. The cooperation and communication between Village staff and the Village Board over the months made this process clear, manageable and professional. Throughout the process of preparing this budget, department heads and their staff provided information on a timely basis, thus ensuring this entire project would be completed on time.

There are two planning tools used in the budget process: A five-year Capital Plan and a five-year Staffing Plan. Each plan provides five years of detail for individual department capital purchase requirements and staffing needs. Listed items were prioritized by the departments, thus providing the Board the level of need placed on these new

expenditures. The Fiscal Year 2007/2008 Budget includes \$344,251 in capital expenditures and \$357,592 in additional personnel costs in the General Fund. The Motor Fuel Tax Fund has \$325,000 in capital expenditures. The Water and Sewer Fund has \$4,740,000 in capital expenses and \$83,576 in additional personnel expenses. Of this \$4,740,000 amount, \$1,240,000 will be funded by Water Tap-On Fees collected during the fiscal year and the remainder from bond proceeds. Finally, the Capital Improvement Fund has \$10,200,000 in capital expenditures that will all be funded by bond proceeds and grant proceeds.

Additional staff for the Village includes: hiring a Human Resources Generalist; a part-time summer intern in Building and Zoning; two Tech I's in Public Works whose cost will be split 30% to Road and Bridge in the General Fund and 70% to the Water and Sewer Fund; and a Deputy Chief, two Patrol Officers, a Records Supervisor and a Police Cadet in the Police Department. The hiring of several of these new positions will be staggered throughout the year, creating a savings over hiring these positions at the beginning of the fiscal year.

Capital expenditures for Fiscal Year 2007/2008 include the completion of the new Village Hall, the start of the Douglas Road Reconstruction project, Public Works and Police Department vehicles, computer system hardware upgrades and the ongoing MFT road program. Funding for these projects is either in the reserves or net cash available in their respective funds.

There is one fee increase across the entire Village for FY 2007/2008. Water rates will increase from \$2.56 per 100 cubic feet to \$2.63 per 100 cubic feet and take effect May 1, 2007 and first appear on the July, 2007 water bill.

The budget provides for a 3.3% Cost of Living Adjustment (COLA) for Village employees, except sworn Police personnel. The impact this adjustment has on the General Fund budget is \$83,822.

In conclusion, the Fiscal Year 2007/2008 budget contains a surplus in the General Fund. Service levels will be maintained or will improve over FY 2006/2007, thus demonstrating that the Village can make improvements to its services provided through the General Fund without increasing taxes or fees charged to its residents.

We are pleased to submit the Fiscal Year 2007/2008 Budget to the Board of Trustees at this time.

Sincerely,

Gary D. Adams  
Village Administrator

Mark A. Pries  
Finance Director/Budget Officer

## **BUDGET MESSAGE**

### **BUDGET MESSAGE - EXECUTIVE SUMMARY:**

Budget policies of the Village of Oswego are both programmatic and fiscal. Programmatic budgetary policies are derived from a four-step process, the last step of which is the development of the Village's budget. The other steps are a review of the prior year's budget in order to determine what needs were not able to be met and if those needs can be attained in the coming fiscal year; a Village-wide goal setting meeting at which the Village Board and staff establish annual goals and from which departmental objectives are formed; and Capital Improvement and Staffing Plans are created to provide the Board with a clear picture of the tools each department believes are necessary to deliver services in the most efficient manner and at the highest levels possible.

A detailed description of the programmatic budget policies follows in the next section of the Budget Message. The Board's goals for Fiscal Year 2007/2008 continue to place great emphasis on the growth that the Village is facing as well as the need to improve upon a vision for the future of Oswego. The 2007/2008 goals again include an emphasis on the progression of redevelopment in the Downtown area by calling for an update of the Downtown comprehensive plan. The Board is very desirous of keeping a traditional downtown area in the Village and has devoted resources to that end, including increased funding to the façade improvement program. The goals also stress the importance of maintaining and improving the Village's infrastructure and trying to develop a plan that looks even further than the five year Capital Plan; actually going ten to twenty years in the future. Environmental issues such as exploring the use of alternative fuels and trying to implement an energy savings plan for the entire Village will be done. Village staffing needs are a continual resource consideration that impacts each budget the Village has had to prepare for the last decade and will continue for the foreseeable future. Another goal is to maximize funding capabilities for the Village. Lastly, all Village facilities must be analyzed and expansion plans must be created.

As the Village continues to grow and develop a vision for the future and become more proactive rather than reactionary, the fiscal budgetary policies will be designed to cope with a fiscal condition marked by increasing sales tax and property tax revenues and their respective bases coupled with the challenge of keeping pace with an ever-expanding population and increasing or maintaining current service levels. Although many accomplishments have been made, the fiscal policies of the 2007/2008 Budget continue on the path of fiscal conservatism. Budgetary revenues are projected at the conservative end of the scale of anticipated revenues. Budgetary expenditures are held to the level of reasonable certainty without providing an increase unless substantiated. A more detailed description of fiscal budgetary policies follows in the next section of the Budget Message.

Even with the conservative nature of the 2007/2008 Budget, it is designed to accomplish the Village Board's goals as defined in the goal establishing session. The various municipal departments contain objectives designed to implement the Board's goals.

In short, the budget of the Village of Oswego reflects a need to continue to provide a high level of service to its residents and accomplish the goals of the Village Board while recognizing that the property tax base of the Village, even though it is increasing, is limited and that fiscal restraint must be exercised. However, sales taxes for the Village are growing, providing much

needed funds to provide additional resources to various programs. Thus, while the budget reflects a few program increases from prior years, it adds new staff and funds major capital purchases to allow services to continue at the same, or better, level than in the past.

### **BUDGETARY POLICIES - PROGRAMMATIC:**

Programmatic budgetary policies are derived from a four-step process, the fourth of which is the development of the Village's budget. The other three steps are:

1. Review of the Prior Year's Budget:

The Village Administrator, Finance Director and individual Department Heads meet to review the first six months of operations for the year prior to the one that is to be budgeted. The review included an analysis of how much each department had spent and the purposes for the expenditures. Staff compared what was planned to be accomplished in each department for the current fiscal year versus what was accomplished at the six month point, and then a determination was made if any unmet objectives would be accomplished or would need to be carried over to the coming fiscal year. Also, at this time, any unforeseen expenditures were noted and any amendments to the budget were assembled for passage by the Village Board.

2. Village-Wide Goal Setting Meeting:

In preparation for assembling the Fiscal Year 2007/2008 Budget, Village Staff and the Village Board conducted a goal setting meeting. The Board, along with Staff's assistance, developed broad-based goals for the coming fiscal year that took into account several factors: the impact of growth on the Village; environmental issues facing the Village with the amount of growth with which it is challenged; future transportation needs of the Village; staffing needs for the Village; maximizing Village funding streams; and determining the infrastructure needs of the Village over the long-term.

During 2006/2007 there was one goal setting meeting held. These goals will be described in the following section entitled "2007/2008 Budgetary Priorities."

3. The Capital Improvement and Staffing Plans:

The Capital Improvements Plan facilitates planning for capital expenditures over a multi-year period. The 2007/2008 Capital Plan plans for the completion of the new Village Hall and starting the Douglas Road widening project. Vehicle purchases include the purchase of three police squad cars, the Deputy Police Chief's car, three dump trucks and three pick-up trucks for Public Works. There are various equipment purchases planned that include computers and printers for various Village departments as well as a large plan and plat scanner for Community Development. The Motor Fuel Tax Fund will include expenditures for roadwork projects.

The Staffing Plan facilitates planning for Village staff additions over a multi-year period. The pace of growth the Village is experiencing continues to put ever-increasing demands on all Village departments. It is management's philosophy that money does not solve all issues but in terms of maintaining service levels, personnel is an area that is continually analyzed and scrutinized. The 2007/2008 Staffing Plan includes the following new positions: the Corporate

area will hire a Human Resources Generalist; Building and Zoning and Community Development will each hire a part-time summer Intern; Public Works will hire two Technicians; and Police will hire a Deputy Chief, two Patrol Officers throughout the fiscal year, a Cadet and a Records Supervisor.

### **2006/2007 BUDGETARY PRIORITIES:**

Reflecting the Village Board's identification of goals during the goal setting session held in 2006/2007, the 2007/2008 Budget allocates resources to accomplish the following items, which are all identified as a short-term or long-term goal and prioritized:

1. Update Village policies and allow for planning workshops. Included here is holding a strategic planning workshop mid-year prior to starting the budget process for FY 2008/2009. This is a short-term goal with long-term implications.
2. Continue analyzing environmental issues that Village services have a direct impact on. Specifically, the Board would like to start exploring the use of alternative fuels for the Village. This is a short-term goal with long-term implications.
3. Develop a transportation plan that includes expansion of public transportation with PACE. This is a long-term goal since it will look well beyond FY 2007/2008. Also, its completion may take several years.
4. Continue the development of the Downtown area. This continues to be a high priority for the Village Board. The Downtown area creates a real identity for the Village as well as retains the history of Oswego. Several programs have been ongoing and new tasks are continually developing. This remains a long-term goal.
5. Determine the infrastructure needs of the Village over the long term that goes beyond the five year capital plan. This is a long-term goal. This area does address short-term needs. However, the Village management realizes that there are several large scale projects that could cause severe financial hardships for the Village if not properly planned for.
6. Analyze staffing needs other than adding to existing positions. This is a short-term, as well as a long-term, goal. Specifically, the addition of a Village Engineer, an Assistant Village Administrator and Village Attorney to the Staff was considered but could not be afforded in 2007/2008. This will be analyzed each fiscal year.
7. Continually determine if the Village is maximizing its funding capabilities. A major step towards this in FY 2007/2008 will be conducting a special census. This is a long-term goal to be conducted each fiscal year.
8. Analyze Village facilities to determine if, when or where expansion will be needed. This is a long term goal since it will continually need monitoring. The Public Works and Police departments address this goal in their narratives as well as in their respective line-item budgets.

The Village of Oswego has forever had what is typically referred to as “small town charm.” This is something that takes a large amount of effort to retain once growth is experienced at the levels to which Oswego has over the last ten to fifteen years. However, the Village Board has, and will continue, to keep the charm of Oswego while advancing into the 21<sup>st</sup> century. The Village continues to be a farming community and this theme is reflected through most of the developments that are presented in Oswego. Prairie style architecture and maintaining rural aesthetics while allowing new construction methods are just some of the examples of how the Village keeps its identity. Identity is what the Village Board strives to educate each new residents about. There is much history to Oswego and there is no effort lost on trying to keep it.

### **BUDGET OVERVIEW:**

The Transmittal Letter, Village Location and Description and Budget Message contain a great deal of history. There are three reasons for the inclusion of so much history in the Budget. First, over the years, the Village of Oswego has transformed itself from a small rural community to a fast growing suburban village. Small town charm and values are what have kept and brought people to Oswego. There is a very strong sense of community in Oswego, and the history provides a starting point and basis of comparison for all future endeavors. Second, the Village desires to keep its sense of identity. Too often, progress has a tendency to turn a town into a completely different entity in a very short period of time. The Village appreciates its roots and its history and is proud to provide as much detail as possible. Finally, the Village has a history of providing a high level of municipal services. Thus, in order to understand the current status of the Village, it is necessary to understand its history.

For Fiscal Year 2007/2008, the combined budget of all funds reflects \$33,522,255 of expenditures (excluding capital expenses in the Water and Sewer Fund). This represents a 17% increase in expenditures for all funds. Projected revenues across all funds total \$38,274,842. This represents an increase of 54% from the prior year, due to no bonds being issued in 2006/2007 and an anticipated \$11.1 million worth of bonds to be issued in 2007/2008. The following information and the Departmental Overview will better detail the impact of major capital expenses and the impact of other financing sources on these large changes in revenue and expenditures.

The budget for the General Fund contains \$13,086,674 of expenditures after transfers. This represents a 5% growth in expenditures for the General Fund. Revenues for the General Fund are \$13,208,643. This is an increase of 5%.

The combination of the funds utilized for operations and pension funds will produce a projected, fiscal year 2007/2008 year-end General Fund Balance of \$4,976,231. Based on the total expenditures of \$13,086,674, this represents a 4.6 month reserve. It is the policy of the Village that a minimum of a three month reserve be maintained but that a six month reserve is optimal. A full presentation of the General Fund fund balance is given on page 49 of the Budget document.



## **DEPARTMENTAL OVERVIEW:**

The 2007/2008 Budget, as presented, includes salary increases for eligible employees. A Cost-of-Living Adjustment (COLA) of 3.3% takes affect May 1, 2007 for all non-sworn Police department personnel. Merit increases are budgeted for these same personnel members for January, 2008 and will range between 0% and 4%. Sworn Police department personnel salaries are set at the beginning of the fiscal year per the terms of a 3-year employment agreement.

The Budget plans for several additions in personnel. The Corporate area of the General Fund, which includes Administration, Human Resources, Finance, the Village Clerk's Office and the Village Board, will add a Human Resources Generalist. Building and Zoning and Community Development will each hire a part-time summer Intern. Public Works will hire two Technicians. Police will hire a Deputy Chief, two Patrol Officers throughout the fiscal year, a Cadet and a Records Supervisor. The growth the Village of Oswego has experienced over the last several years is the driving factor as to why the Village has the true need to hire additional staff positions year after year.

Following is a chart that depicts Full Time Equivalent (FTE) personnel, by department, from Fiscal Year 2005/2006 projected through Fiscal Year 2007/2008. Please note, this chart may differ from each department's personnel chart due to inclusion here of seasonal positions. Seasonal positions are temporary and the personnel chart contained later in this document for each department contains only permanent positions.

Department	2005/2006	2006/2007	2007/2008
Corporate*	13.0	14.5	15.5
Building and Zoning**	11.0	12.0	12.5
Community Development	6.0	6.0	5.0
Public Works/Water**	28.0	29.0	33.0
Police	54.0	63.5	68.0
TOTALS	112.0	125.0	134.0

\* Does not include the Village Board.

\*\* Includes seasonal positions. Each seasonal position counts as 0.5 positions.

Each section of the Budget follows the same format. First, there is a description of the department. It is followed by accomplishment of the prior year's objectives, the current year's objectives and performance measurements. These are followed by an organizational chart, a summary sheet and, in most cases, a graph that visually depicts the expenditure breakdown of the department or Fund by category.

The summary sheets that introduce the budget detail for each department or cost center contain five columns. The first column is labeled FY 05/06 Actual. This reflects the amount actually spent in Fiscal Year 2005/2006 in each of the listed categories: personnel, insurance, professional services, etc. The second column is FY 06/07 Budget, including amendments. This column reflects the amount budgeted to be spent in each of the listed categories in Fiscal Year 2006/2007. The third column is FY 06/07 Estimate. This column reflects the amount the department anticipates spending in each of the listed categories by the end of fiscal year

2006/2007. The fourth column is the proposed budget presented to the Board for its consideration for Fiscal Year 2007/2008. The final column is percent change. It is important to note that this column is not a comparison between the two closest columns. Instead, it reflects the change from FY 06/07 Budget to FY 07/08 Proposed Budget. In reviewing this column, it is also important to take note of the FY 06/07 Estimate since that column may help explain the percent change from one budget year to the next more clearly. For example, if a department budgeted \$10,000 for overtime in 2006/2007 but believes it will actually spend \$12,000, then \$12,000 will show up in the FY 06/07 Estimate column. It would explain why the department decided to budget \$13,000 in FY 2007/2008.

Actual costs and unanticipated expenditures are constantly evaluated against budget. The first step for department heads in preparing the Budget is to estimate what actual costs in the current year will be. If a department needs to spend more than anticipated in one budget area, it is required to reduce spending elsewhere in the departmental budget. Overspending the total departmental budget requires approval of the Village Board and identification of resources elsewhere in the budget to cover the expenditures. It will also require a budget amendment.

In order to understand the fund and, in the case of the General Fund, department-by-department analysis that follows, reference should be made to the summary sheet in each respective budget. The summary sheet is located after the objectives and/or performance measures section of the narrative in each fund or department. It is important to note one major change in the structure of the budget in the General Fund. In fiscal years' 2006/2007 and prior, FICA and IMRF expenditures were tracked in their own "department." However, due to a recommendation from the Village's audit firm, each department's respective FICA and IMRF costs are now budgeted in that respective department. As a result, this reflects larger increases for each department in FY 07/08 than what would have been had the old method been followed of keeping FICA and IMRF costs separate.

## **GENERAL FUND**

### **Corporate:**

The Corporate area combines the sub-departments of the Administrator's Office, Board of Trustees, Human Resources, Finance and the Village Clerk's Office.

The Corporate area has the primary responsibility for implementation of the Board's goals. The 2007/2008 budget again emphasizes managing growth in the most efficient and least invasive manners as possible and providing increased service levels to residents.

The summary sheet for Corporate shows an overall increase of 16%. This is a rather large increase, but taking out the impact of the FICA and IMRF change, the increase becomes 14%. Personnel Services has increased very slightly, due to the elimination of the I.T. Coordinator position. This change has directly impacted Professional Services, increasing that cost center by \$120,000. There is one staff addition in FY 07/08, the Human Resources Generalist.

Health insurance costs are budgeted to cover what the early indications show for, probably in the range of 7.5% to 8.7%, perhaps even lower. Dental and vision insurance will not

increase and has been budgeted to reflect this flat rate structure. FICA and IMRF costs are reflected here.

The 36% increase in Professional Services is the result of the Village now using an outside professional I.T. firm for its computer system needs. There are other changes here. The Village's cost for the Park and Ride facility totals \$32,400. The Downtown Façade Improvement program received a 25% increase and the every-other-year computer training for employees is scheduled for FY 07/08.

The Contractual Services decrease of 12% is due to the fact that the Village paid a legal settlement in FY 06/07 in the amount of \$40,000. There is little change in the other line items in this category

Communication rose by 52% for several reasons. The main reason is the increase to move the Village Hall telephone system to the new Village Hall. Smaller increases are to postage and then to advertising for vacant Village positions.

The increase in Professional Development of 73% is due to increased training needs for all Village employees that H.R. requested. Tuition reimbursements have increased as well as Travel and Training for the Board and several department heads.

The decrease in Operating Supplies of 26% reflects the change of the I.T. management of the Village. Over the past two years, the management of the system was not handled properly and resources were not spent well therefore changing the amount of resources needed here. Most other items in this cost center category have remained unchanged.

The decrease in Capital Outlays of 36% is again due primarily to the same reason for the decrease in Operating Supplies and I.T. changes implemented. This is a savings of \$79,000 over FY 2006/2007.

### **Building and Zoning Department:**

The Building and Zoning Department's budget reflects an overall increase of 17%, or almost \$146,000. Without the FICA and IMRF change, the increase is only 10%, or slightly less than \$85,000.

Insurances and benefits are increasing by 123%, again due to the FICA and IMRF change. The various health, dental and vision insurance changes have been implemented in this category. Altogether, this category has increased by over \$141,000.

The decrease in Professional Services of 58% is due to the new full-time Plumbing Inspector. Previously, the department would contractually hire a licensed plumber to do inspections. Now that there will be a licensed plumber on staff, the need for large amounts of Professional Service dollars is no longer there.

The increase in Contractual Services of 36%, or over \$39,000, is due to the cost of renting an office space at 123 Washington Street. Building and Zoning moved in to this space mid-way through FY 2006/2007 because of the need for additional room in the current Village Hall. This expenditure will end in FY 2007/2008 when the new Village Hall opens.

Communication has decreased 12%, or \$3,200 due to savings experienced by the changes implemented to the Village's Nextel services.

Professional Development has decreased 42% due to bringing training and dues costs in line to what is actually being used by the department.

The decrease in Operating Supplies of almost \$20,000 is primarily from the department purchasing a new filing system in FY 06/07 that totaled almost \$17,000. The other decrease comes in gasoline, which was over budgeted in prior years.

Capital Outlay decreased 67% because the department purchased a truck in FY 06/07 but will only purchase two laptops that will be used specifically for inspections. This is a decrease of almost \$12,500.

### **Community Development Department:**

The Community Development department has a budget increase of 19%, or just over \$98,000, for Fiscal Year 2007/2008. Without FICA and IMRF, the increase is 10%, or just over \$50,000. The department gave up one approved position, the Senior Planner, that has been unfilled for over a year. Staff believes it will not be needed in FY 2007/2008. Personnel expenses, as a result, have decreased 13%.

Insurance and Benefits decreased by 9% due to the elimination of the Senior Planner.

Professional Services will increase by 485% due to two plans being included in the budget as a direct response to the Board's goals for FY 07/08. First, a transportation plan is included with an estimated cost of \$75,000. Then an updated Downtown plan is included for \$60,000. The remaining expenses in Professional Services have remained flat.

The increase in Contractual Services of 38% is due to an increase for the Village's liability insurance.

Communication expenditures rose by \$2,700, or 20%. This is due to the increases in the postage and telephone categories for anticipated higher usage next fiscal year.

Professional Development has decreased by \$2,500 in Travel and Training. This is due to the fact that FY 06/07 saw higher costs for tuition reimbursements which are not present of FY 07/08.

Operating Supplies have increased by 47%, or \$3,500 due to the department updating its filing materials and system. This new method will assist in the department's efficiency.

Capital Outlays decreased by \$10,500 due to the department purchasing a large document scanner. This device will allow the Village to copy plans and plats without paying an outside vendor for these services.

### **Public Works (Road and Bridge):**

The Road and Bridge department has an increase in its budget for FY 2007/2008 of 2%, or less than \$30,000. Personnel Services will increase almost \$32,000 from FY 2006/2007 due to the addition of two new Tech I positions.

Insurance and Benefits costs rose 75%, or over \$65,000, due to the changes made for FICA and IMRF.

Professional Services decreased \$8,000 due to the traffic study for Washington and Main Street being done in FY 06/07. All other costs remain flat.

Contractual Services increased by 5% due to the street light maintenance expenditures, the cost for electricity for the street lights, snow and leaf removal expenses and maintenance on Village owned bridges.

The Communication budget decreased by \$4,000, or 27%, due to the savings experienced by the changing of the Village's Nextel service plan. All other items remained flat.

Professional Development increased \$2,000. This reflects a focus on the department's desire to take advantage of more training opportunities for its staff.

The 10% increase in Operating Supplies, or \$4,000, is due to gasoline charges expected to increase in FY 07/08. Other items here remained flat or decreased.

The Capital Outlay budget has decreased by 63% due to the erratic nature of when the Road and Bridge department needs to make capital purchases. FY 2007/2008 happens to be a year in which the department has no significant capital purchases to be made.

### **Police:**

The Police Department's budget overall shows a 19% increase in expenditures. Personnel services increased 15% over FY 06/07. This includes a wage increase for sworn personnel as determined by the wage agreements. The current three year wage agreements for patrol officers, sergeants and captains will expire on April 30, 2008. In addition, Police included a cost of living adjustment and a merit increase for our civilian staff. Overtime projections were increased by 24%. Three Police Officers, one being the Deputy Chief, are added for this fiscal year along with one clerical staff and one Cadet.

The department's figures for insurance have increased by 48%. The increase includes the new personnel and an increase for the Village's portion of health care costs.

The department did have an increase in Professional Services of 8%. Increases to Investigations expenses are the main reason for this increase.

Contractual Services increased by 11%. The two main reasons for this increase are the Village's liability insurance costs as well as the increase to the costs for maintenance contracts on the police department's equipment.

Communications increased by 19%. The largest increase comes from the printing of all the forms that the department uses.

Professional Development increased by 33%. All areas of Professional Development increased: Schools and Training; Dues; and Travel Expense. There is a concerted effort to focus on training for the officers.

Operating Supplies increased by 17%. As the department takes more police reports and investigates more cases, there is an increased need for supplies to accomplish this with a satisfactory level of service. One important note, this section includes gasoline costs, which we increased by almost 25% or \$24,435.

Capital Outlays have increased by 2%, which equals \$5,500. Again, this is due to the fluctuating cyclical needs of capital purchases by the various General Fund departments.

### **FICA and IMRF:**

The FICA and IMRF area of the General Fund no longer exists. All FICA and IMRF costs are now reflected in the various General Fund departments. This is new for FY 07/08.

### **ENTERPRISE FUNDS:**

The section of the budget identified as Enterprise Funds contains those funds that fall under the jurisdiction of Public Works, including the Garbage Collection Fund and the Water and Sewer Fund. Enterprise funds are those municipal departments that operate as a business. The enterprise funds operate with fees and charges for service as the primary support for expenses. Revenues must cover three areas: day-to-day operations, maintenance and capital improvements.

There are two methods to present enterprise funds: first, in terms of net income (loss) and second, in terms of net cash. The enterprise funds are presented both ways.

### **Public Works Enterprise Funds:**

#### **Garbage Collection:**

The Village collects garbage under contract with a private scavenger. The contract provides that the Village issue bills for the scavenger, thus keeping prices down for the consumer. The current contract expires in June 30, 2007. At that point, new bids will be sought or the old contract extended and re-negotiated. In either event, it is expected that new rates will be in effect. The Village Administrator negotiates on behalf of the Village with its waste hauler, Allied Waste.

The Village operates an unlimited volume-based collection program that allows for one "white-item," i.e. a refrigerator or stove, to be taken away each week. Since both the State and Federal governments have mandated certain waste stream reduction goals, the system also encourages recycling. Encouragement of recycling is through education. Residents can receive one free recycling bin from Village Hall and additional bins for a nominal fee.

The Garbage Collection Fund operated on a net-loss basis for several years prior to FY 2002/2003. At that point, an administrative fee of \$0.50 per account per month, a total of \$6.00 annually, was established. This has allowed the Fund to operate at a surplus for the last four fiscal years. There will be an increase in rates for FY 2007/2008 due to the approval of a new five year contract with Allied Waste at the end of FY 06/07. A two-year rate comparison is given in the narrative of the Garbage Collection Fund section of this budget document.

The increase in revenues of 10% and expenses of 11% is a direct reflection of the growth the Village of Oswego is experiencing. The Fund is budgeted to have a net income of \$15,590 for the fiscal year.

### **Water and Sewer Fund:**

Oswego water is pumped from deep wells located within the Village. The Department of Public Works is responsible for the operation and maintenance of seven wells, four water towers and the water distribution system. Public Works also maintains and owns the sanitary sewer lines within Village limits but the actual treatment of the wastewater is done by a third party private company, Fox Metro.

The Village worked extensively in the earlier part of this decade to bring its water into compliance with EPA and IEPA mandates for radium levels in drinking water. The five original wells and all subsequent wells have been fitted with state-of-the-art radium removal equipment. This new process is the most efficient and effective method available, removing virtually all traces of radium from the water. The process is also the least costly method available.

The lone large project the Water and Sewer Fund will undertake this year is the completion of the new Village Hall. Public Works executive offices will be housed in the new Village Hall as well as water billing operations. The maximum amount that the Water and Sewer Fund is anticipated to cover is \$3.5 million. However, Staff believes this number will be significantly lower, based on current project cost estimates. Bonds will be issued to cover the funding requirements for this project.

Capital projects and debt service for former capital projects are to be funded through the water tap-on fees (except for those that have an alternative funding source that will be noted) that are charged to new homes and businesses that will use the Village's water supply. Each water tap is \$5,000 until May 1, 2009, at which point it is scheduled to become \$5,500 per water tap, and there is an additional \$500 charge for the water meter installation. However, Staff will continually evaluate the tap-on fees and the increase could be more than \$500 and occur sooner than May 1, 2009 if it is determined that is what the Water and Sewer Fund needs in order to maintain its financial stability. Water tap-on fees for FY 2007/2008 will total over \$3.1 million, an increase of 25% from FY 2006/2007. The water tap-on fees are designed to reduce the Village's reliance on borrowing money to fund projects. Tap-on fees are scheduled to increase in \$500 increments every two fiscal years under current planning conditions. Water meter charges (MXU fees) will total \$317,500, a decrease of 27% from FY 2006/2007.

The total dollar increase for the Water and Sewer Fund for FY 2007/2008 is \$808,721. Of this amount, \$213,296 is directly attributable to salaries and insurance costs.

Professional Services has an increase in its budget of 21%, or \$60,244. The continued updating of the water model plan for the Village will cost an additional \$25,000 in engineering expense. The remaining increase is due the State of Illinois unfunded mandate of the NPDES fees incurred for the testing of ground water to ensure its compliance with health regulations.

Contractual Services is seeing an increase of 18%. There are several factors that account for this \$192,377 increase, but the three largest are the increased cost for electricity to run the seven wells, a \$75,000 increase or 17.7%, the increased cost to operate the radium removal process, a \$50,000 increase and the increase in the maintenance of the sewer mains, a \$50,000 increase. The remaining increases are nominal increases in some line item areas.

Communication increased 7%, or \$4,000, due to the increased cost for printing of the water bill forms and envelopes and postage costs. The Village uses an outside company to print and mail its water bills.

Professional Development increased by \$2,000, or 22%. This increase is for additional training for staff to remain current with their water license requirements.

Transfers are the indirect costs that are sent to the General Fund for two purposes: payments in lieu of property taxes and a charge for administrative services. Both of these indirect charges are allowed under Illinois State Statutes. The payment in lieu of property taxes is a charge that the Water and Sewer system would have if it was, in fact, a privately owned and operated business. This portion increases each fiscal year by the percent increase in the dollar amount of the prior tax levy. The administrative fee is a portion, approximately 30% of the Personnel Services and Insurance categories, of the administration costs in the Corporate area of the General Fund that the Water and Sewer Fund reimburses the General Fund for these services. The increase of 20% for the Transfers category reflects the increase in the tax levy as well as the personnel costs in the administration area.

The debt service area tracks the interest expenses for all Water and Sewer Fund related debt. The principal portion of the debt that is retired is shown in the budget for informational purposes only since this debt retirement is not an expense but a reduction to a liability which will be recorded on the balance sheet of the Fund. The increase of 9% in FY 2007/2008 is due to the timing of the anticipated increases to the bond payments for the various debt obligations of the Fund.

## **FOLLOWING ARE THE CAPITAL PROJECT, SPECIAL REVENUE, TRUST AND BOND RETIREMENT FUNDS OF THE VILLAGE**

### **Capital Projects Fund:**

A Capital Projects Fund accounts for any large scale, capital improvement project undertaken by the Village that cannot be accounted for in an Enterprise Fund and whose size is such that including it in either the General Fund or a Special Revenue Fund would serve only to distort the true nature of either of those types of funds. Typically, a Capital Improvement Fund is used when the cost of the project is considerably larger than other capital costs that are normally recognized in the General Fund.



The Capital Improvement Fund for Oswego will account for three projects in Fiscal Year 2007/2008: the completion of the new Village Hall, the bridge scour project and the continuation of the Douglas Road Reconstruction project.

The Village Hall construction project began in FY 2005/2006. The only costs incurred in FY 2005/2006 included the land acquisition and the architects' fees. This project will conclude in FY 2007/2008 and \$8.5 million in bonds were issued in late FY 2005/2006 to cover the initial costs of this project. The total estimated cost of this project is \$12 million, including the land acquisition. About \$9.5 million is estimated to be incurred in FY 2007/2008, with about \$3.5 million be paid for from the Water and Sewer Fund. Transition Fees, which are one-time charges placed upon new residential development, will be the funding source for these bonds. For the past three years, a small portion the Transition Fees were used for operational expenditures in the General Fund but are now shifted away from operational needs and moved towards capital needs. \$350,000 worth of Transition Fees is being transferred from the General Fund to the Debt Service Fund to continue funding a sinking fund to pay the debt for this project.

The Douglas Road Reconstruction project will widen the existing Douglas Road to four lanes, with a center turn lane, between Routes 34 and 30. New water, sanitary sewer and storm sewer lines will be part of this project, as well. The total cost of this project is currently estimated at almost \$12 million. The Village will receive almost \$3.4 million in federal grant monies, leaving the remainder to be funded most likely from a bond issuance. This project, since it involves federal grant monies, is very detailed in the amount of coordination that is needed from the local, state and federal levels of government.

### **Special Revenue Funds:**

Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are restricted to expenditures for specified purposes. In other words, Special Revenue Funds typically account for a specific project that has a clearly defined revenue source for funding that project. The project accounted for should be clearly defined and should not be too general so as to create confusion about a project's purpose.

### **Motor Fuel Tax Fund (MFT):**

Motor Fuel Tax (MFT) Funds are disbursed to the Village from the State of Illinois on a per capita basis. The Village is required to submit a budget for the use of those funds to the State. There are two revenue portions to the MFT Funds, monthly allotments and federal reimbursements. Monthly allotments are funds that can be used towards a variety of projects, including bicycle amenities, curb, gutter and street improvements. Federal reimbursements are for specific projects approved by the State and may be used for a wider variety of expenditures over the monthly allotments.

As noted, Motor Fuel Taxes are distributed on a per capita basis. The level of MFT Funding increased in 2000 with the increase in the Village's population as reported in the 2000 census. This increase affected those projects supported by MFT funds. There was a special census completed in early 2004 that added further to each monthly allotment the Village receives. In late 2006, the Village conducted another special census but this time it was done in-house. This method is allowed under Illinois statutes and will add approximately 1,600 residents to the Village's official population number that IDOT uses to distribute MFT allotments. Finally, the

Village will be conducting another special census in 2007 so the amount it receives for MFT allotments will increase again in FY 2007/2008. Even though the Village has experienced increased allotments over the last several years, the age of the town and the condition of the infrastructure needing attention continues to be a challenge.

It is anticipated that the Village will receive \$585,042 in Motor Fuel Tax allotments. This is a 3% increase from the previous year. The Fund anticipates receiving \$10,000 in interest income during Fiscal Year 2007/2008.

The MFT funds will be utilized for a single purpose in FY 2007/2008: the annual street maintenance program. Staff will discourage any additional uses of MFT funds in FY 2007/2008 in order for the Fund to rebuild the cash reserves it had historically carried. The reason why Staff strongly wants the reserves to grow again is that MFT funds can be used to fund a portion of the bonds that will most likely be issued for the aforementioned Douglas Road Reconstruction project. With that fact in mind, reserving the resources of this Fund becomes very important.

Finally, the MFT Fund will partner with the Kingsbrook HOA to get their private cul-de-sacs done, a project estimated at \$200,000, in conjunction with the 2007 MFT road program. The HOA will pay the Village the cost for their cul-de-sacs before the work starts. This allows the Kingsbrook HOA to get better pricing for their project as well as providing for no drain on the resources of the MFT Fund.

### **Special Census Fund:**

The Special Census Fund will account for the costs associated with, and resources pledged to, the many future special censuses the Village plans on having done in order to maximize the per capita revenues it receives from the State of Illinois. Income Taxes, Local Use Taxes and MFT Allotments are the three revenue streams that the Village receives on a per capita basis. When the Village's population increases, it will receive more from these three sources only after a special census (full or partial) is completed. The normal decennial census also impacts the per capita revenues received by the Village.

The Village will conduct a special census in FY 2007/2008 for specific sections of the Village. It is estimated that for each person in the Village's population, the Village receives \$127.50 each fiscal year. The Village estimates that there are about 6,500 more residents since the time of its last special census, March of 2004. With 6,500 additional residents, the Village would receive an additional \$828,750 each year.

The cost of the special census is estimated at \$500,000. This is for a full special census. However, the Village is waiting to hear the results of pending legislation in the Illinois legislature that will allow the Village to receive Home Rule status without the requirement of conducting a full special census. A partial special census will cost roughly \$175,000, thus saving the Village about \$325,000. Home Rule status opens up many doors to the Village in terms of how it governs. This includes the authority level at which the Village will be at, the types of revenue streams that will then be open to the Village as well as the types of laws the Village can pass. This \$325,000 savings can then be saved to pay for future special censuses.

### **Trust (Retirement Trust) Fund:**

The section of the budget identified as Retirement contains the Police Pension Fund. All other retirement costs, specifically FICA and IMRF, are recorded in the General Fund.

The Police Pension Fund is administered by an appointed Board whose composition and powers are regulated by State statute. The levels of these funds are established by actuarial studies done locally and by the State. The Fund is healthy, with the Fund Balance anticipated to be \$7,654,762 by the end of Fiscal Year 2007/2008. The funding level for the Fund, as of April 30, 2006, was 51.4%. This was an increase from the prior fiscal year when the funded level was 50.7%. Several factors must be explained to better understand why the Fund has a relatively low funding level. First, the Pension Board has taken a closer look at its investment decisions and is monitoring its portfolio much more closely than it has in the past. Second, the Fund has only been in existence for thirteen years. The Fund's actuary states that the Fund is healthy due to the young age of its members, its low number of retirees (currently, there are three), and there are very few members that will be retiring in the next five to ten years. The actuary believes that the Fund has more than sufficient time to increase the funding level. Finally, the funding level was significantly impacted in FY 2002/2003 when a new employment agreement with all sworn officers, with the exception of the Chief, dramatically increased the pay rates of all patrol officers, sergeants and captains. This pay increase was well over due and was approved by the Village Board. There was a new employment agreement reached in FY 2004/2005 with sworn officers that will impact the funding needs of the Police Pension Fund through FY 2007/2008.

One other challenge for the Village is that it is tax-capped and could not, in past fiscal years, levy a tax high enough to support what is actuarially determined to be contributed to the Fund on behalf of the Village of Oswego. However, the Village is now capable of fully funding the actuarially determined contribution amount through the tax levy since other revenue streams in the General Fund have allowed this to happen. Also, once the Village reaches home-rule status, the Village will then have the capability to continuously fully fund the recommended contributions to the Police Pension Fund without creating funding concerns for the General Fund.

The Fund is anticipated to have an income of almost \$1.2 million in FY 2007/2008 and should continue on this track for the next five to, possibly, ten fiscal years. With that in mind, the funding level should reach state-wide averages (the low 70% range) when the Fund starts experiencing higher numbers of retirees.

### **Bond Retirement:**

In order to understand more clearly the Bond Retirement Fund, bond retirement schedules are included in this section. The schedules reflect the debt through 2026, which is the life of the debt.

The Bond Retirement Fund services the Village's General Fund. The Village was debt free, in all funds, until 1990 when it issued \$2 million in Alternate Revenue-General Obligation Bonds in two series to pay for a new Police facility. In 1991, an additional \$250,000 was issued to complete the Police facility. All three issuances were secured by Sales Tax dollars. These issuances were refunded in 2001 to take advantage of lower interest rates. The 2001 Refunding Bonds fully matured in December, 2005.

In 1997, the Village issued \$540,000 (the 1997A Bonds) of General Obligation bonds for storm sewer replacement. This issuance was tied to a \$4.4 million issuance (the 1997B Bonds) for improvements to the water and sanitary sewer system. The 1997B issuance is an Alternate Bond with the water system revenues secured as the funding source for the debt; therefore the 1997B debt is accounted for in the Water and Sewer Fund. The 1997A bonds fully matured in January, 2006.

In 2004, the Village issued \$3,300,000 (the 2004A Bonds) of General Obligation bonds for the Town Center Renovation project. Finally, the Village issued \$9,970,000 (the 2006A Bonds) of General Obligation bonds at the end of FY 2005/2006 for two purposes: \$8.5 million for the new Village Hall and \$1,470,000 for the completion of the Town Center Renovation project.

The Village's total debt amount, as of April 30, 2006, was \$14,979,166. Of this amount, only \$4,117,241 applied to the General Fund. The remaining \$10,861,925 was applicable to the Water and Sewer Fund. The Village's legal debt margin at April 30, 2006 was \$49,860,912, giving the Village ample room to issue debt to cover future capital projects, such as the Douglas Road Reconstruction project.

## **BUDGET POLICIES - FISCAL:**

### **Rationale:**

Fiscal policies of the Village of Oswego are based on the need to address certain economic trends and solve problems noted in previous annual audits. The economic trends include:

- The increasing pattern of the sales tax base resulting from the construction of the Oswego Commons project, Mason Square, the U.P. development, Prairie Market and other various commercial projects that are in negotiations with the Village.
- The increase in population reported in the 2004 special census to 19,956. This increase resulted in increased revenue allocated to Motor Fuel, State Income and Use Taxes.
- A property tax base that is expanding but does not afford the Village any significant new sources of income for which to provide services due to the property tax cap laws.
- The Village's aging infrastructure and plans to address that infrastructure. The Douglas Road widening project, the Plainfield Road and Route 71 widening project, the Wolf Road project and the ongoing MFT projects for various locations in the Village. All of these projects place a burden on the Village to be able to adequately supply the funds needed for their completion.
- Determine the best manner to fund services to a Village that is growing at a very fast pace. This includes how to fund capital purchasing needs for all Village funds as well as staffing needs for all departments.

- Continue the use of Transition Fees to fund capital improvements for the General Fund, whether by paying directly for the capital asset or by paying for the debt issued to purchase the asset. These capital improvements can be recognized out of either the General Fund or the Capital Improvement Fund.

Despite the rapid growth of the Village's population as well as geographic area, the Village has a history of providing a high level of municipal services. This is a high priority of the Village Board and is an objective of all departments. Thus, the Village must maximize the return on each revenue dollar.

The fiscal policies included in the 2007/2008 Budget are designed to address, not necessarily to solve, these trends and challenges. Fiscal Policies are divided into three sections: Budgetary, Revenue and Expenditure policies.

### **Fiscal Policies:**

#### **Budgetary Policies**

1. A level of unreserved fund balance will be maintained in the General Fund sufficient to handle emergency needs, cash flow needs associated with the timing of property tax receipts and unfavorable variances in estimating the revenue and expenditure budget. It is the Village's goal to establish an unreserved fund balance level in the General Fund sufficient to cover, at a minimum, three months of operations. A six month reserve is considered an appropriate reserve level.
2. Potential areas for budget savings for the Fiscal Year ending 2006/2007 will be identified. Fiscal savings identified in the 2006/2007 Budget will not be permitted to "carry over" into the 2007/2008 Budget, unless specifically approved by the Finance Director, but will contribute to the unreserved fund balance.
3. Adequate funding, to the extent it is fiscally possible and as determined by a State or independent actuarial study, will be provided for all retirement systems for Village employees. The percentage of coverage in the Police Pension Fund, FICA and IMRF will show an increasing pattern of coverage as the Village's revenue base expands.
4. Budget amendments will be made at the mid-point-to-end of the budgetary cycle. Budget amendments will only be made to accommodate major, unanticipated changes in revenue, expenditures or personnel.

#### **Revenue Policies**

5. Budgetary revenues will be projected at the conservative end of the scale of anticipated revenue.
  - Revenues derived from property taxes are clearly known because they were determined at the time of the prior year's levy.

- Sales and income tax projections are based on an analysis of historic trends coupled with known changes.
  - Revenues derived from intergovernmental sources are projected based upon consultation with the appropriate State or County agencies.
  - Revenues derived from “fee for service” budgetary categories are conservatively estimated. Fees are adjusted based on an evaluation of the cost to provide said services.
6. User fees, such as charges for water, sewer and garbage, will be evaluated annually to ensure that fees cover costs, if intended to do so, including maintenance and replacement costs, and that fees are increased in reasonable increments on an annual basis, if needed. Water rates will be increased from \$2.56 to \$2.63 per 100 cubic feet (750 gallons). This is the second rate increase strictly to cover the operations of the Water and Sewer Fund since May, 2000. The last increase went into effect in FY 06/07.

### **Expenditure Policies**

7. Budgetary expenditures will reflect a realistic cap on anticipated expenditures. Expenditures will be paid with current revenues and excess fund balances, if necessary, to the extent available. However, a balanced budget (expenditures less than revenues) is the main priority.
8. The 2007/2008 Budget will provide for salary merit increases. It will also provide for a 3.3% cost-of-living-adjustment (COLA) for all non-sworn police department positions effective May 1, 2007.
9. Capital expenditures will be planned through the mechanism of a Five-Year Capital Plan and budget. The Capital Plan will be up-dated on an annual basis. Actual capital expenditures will be budgeted contingent upon available revenues. Capital expenditures will be accounted for within departmental budgets, except for those projects whose size would only serve to distort the expenditure history of the General Fund. These types of capital projects will be accounted for in the Capital Improvement Fund.
10. New staffing expenditures will be planned through the mechanism of a Five-Year Staffing Plan and budget. The Staffing Plan will be up-dated on an annual basis. Actual new staffing expenditures will be budgeted contingent upon available revenues. New staffing expenditures will be accounted for within departmental budgets.
11. The budget is flexible within departments. Over-expenditures on one line must be compensated for within the departmental budget. However, departments may not overspend their total departmental budget without a budget amendment and Board approval.
12. The Board will receive detailed monthly statements on overall operating results. Evaluations will be made of areas where cost savings have occurred that could warrant redirection of funds.

13. Budgeted expenditures will clearly enable the accomplishment of the Board's goals. Goal establishing sessions will determine the goals. Affordability of implementation will be determined at the time revenues are projected, as part of the budget process.

A budgetary monitoring and control system will be maintained. Budget performance will be measured on a monthly basis. The Finance Director, Village Administrator and Department Heads will conduct a formal six-month review of budget performance. All preceding steps will lend to the creation of each fiscal year budget.

### **LONG-RANGE DEBT MANAGEMENT:**

The Village of Oswego is a non-home-rule community. As such, it has a legal debt margin of \$53,045,912 as of April 30, 2006. The Village had outstanding general obligation debt of \$3,185,000 as of April 30, 2006, thus creating a legal debt margin of \$49,860,912. A legal debt margin is equal to the legal debt limit less any debt that is applicable to the legal debt limit. Recommendations for management of the Village's long-range debt are rooted in the Village's conservative approach to budgeting and its fiscal policies, which emanate from that conservative approach.

It is the policy of the Village of Oswego to keep borrowing to a minimum. This includes not only smaller capital purchases, such as vehicles or equipment but also includes large projects, such as water wells and towers and buildings. There is no set number or set method, as either of these would be arbitrary and not flexible to adapt to the ever changing conditions the Village experiences as it grows. The Village Board receives recommendations from Village Staff on methods for financing certain objectives and the Board makes decisions on a case-by-case basis as to whether or not the project should be funded through borrowing, use of fund reserves or use of fund revenues.

The Village's audit contains an analysis of long-range debt. The audit's analysis examined the debt from two perspectives: the obligations of the individual debt instruments and the aggregate debt obligation of the Village. The budget contains an analysis of debt service by fund.

An effective measure undertaken by the Board to reduce the debt load was a shift in the budget preparation procedures. The Board recognized that the tax levy adopted in December of one year is part of the funding mechanism for the budget of the next. Thus, at the time the budget is adopted, the amount of revenues that will be generated by the levy is known and the budget can be prepared within those limitations.

The Village received two pieces of good news in regards to its debt issuing capabilities in FY 2006/2007. Its bond rating with Moody's was elevated. Moody's raised Oswego's rating from an A2 to an A1. This rating improvement came before the Village issued debt in FY 2006/2007, thus saving the Village considerable amounts of interest charges in future years.

The Village will attempt to remain frugal with its long-term debt, continuing to repay a portion on an annual basis, thus reducing the overall amount and continuing to refrain from additional borrowing, if possible. However, there are two projects that will, most likely, necessitate additional borrowing in FY 2007/2008 - the Douglas Road Reconstruction project

and the new Village Hall. Altogether, these new debt issuances will not approach the Village's legal debt limit or its capability to afford the debt.

## **THE BUDGET PROCESS:**

### **Overview:**

A budget is an annual plan of estimated expenditures and the proposed means of financing them. It is the method by which the Village delivers its goods and programs to its citizens. However, a budget document is only part of an extensive and ongoing process of financial review and control that ensures accountability of public funds and the protection of the public interest.

The budget document represents the culmination of many months of work by Village staff and review by elected officials. The final draft of the budget is available for public review both in the Office of the Village Clerk and the Oswego Public Library. As noted in the section entitled "Budgetary Policies - Programmatic" on the first page of the Budget Message, the budget is derived from a four-step process, the fourth step of which is the development of the budget.

### **Review of the Prior Fiscal Year's Budget:**

Step one is a review of the prior fiscal year's budget to determine if the goals and objectives established for that time period have been or will be accomplished by the end of that fiscal year. If they will not, then a determination is made as to whether or not the goal and/or objective remains pertinent to the Village and it is then either carried forward or omitted.

### **Goal Establishing Workshops:**

Goal establishing workshops, step two, are held beginning in the fall. At the workshops, goals are collectively defined by Staff and the Village Board for the coming year. Following the workshops, the goals are translated into departmental objectives and form the basis for budget planning.

### **Capital Improvements and Staffing Plans:**

The Capital Improvements and Staffing Plans are step three. The plans analyze capital and staffing budgetary needs projected over a five-year period. Budget affordability is determined in the next step and items from these two plans are prioritized, based on the strength of need, in order to more easily determine which items are of a higher importance to a department.

### **Preparation of Proposed Budget:**

As noted above, the budget process begins in the fall with the review of the prior fiscal year's budget followed by goal establishing workshops. A six-month financial analysis is reviewed with staff at separate meetings. The financial analysis details revenues and expenditures to date and compares month-to-date and year-to-date information with the previous fiscal year. It also contains an analysis of percentage spent as compared to percentage budgeted.



Budget worksheets are distributed to Department Heads in November following the six-month financial review and development of the Capital and Staffing Plans. Major capital improvements and staff additions are subject to funding availability.

Budgets are submitted by Department Heads in early January. The Departmental budgets are reviewed by the Finance Director and Village Administrator. They evaluate the departmental budgets based upon the Board goals, departmental objectives, available fund balances and potential revenues. Based on this evaluation, a proposed budget is prepared by the Finance Director. The budget is submitted to the Board before the end of February.

### **Public Review and Adoption:**

The budget is presented to the Board in February for its consideration. Prior to adoption, the draft budget is made conveniently available for public inspection in both the Village Clerk's office and the Oswego Public Library. Not less than one week after publication of the notice of the budget's availability and prior to approval of the budget, the Board is required to hold a Public Hearing on the budget. By Ordinance, the budget must be adopted by the end of April, following the required notifications and Public Hearing. Once the Board approves the proposed budget, the adopted budget is produced in its final form.

### **Budget Implementation and Review:**

Budget performance is measured on a monthly basis. Month end reports, which detail revenues and expenditures to date, are available to all Department Heads and are presented to the Board of Trustees.

A formal six-month review of budget performance is conducted by the Village Administrator and the Finance Director. This includes a review of fund balances. The results are the basis of starting the following year's budget process.

### **Budget Amendments:**

If necessary, budget amendments are made at the mid-point of the budgetary cycle. Budget amendments are made only to accommodate three factors:

- Items that were budgeted in the prior year's budget, but not spent. Those items are encumbered into the current year's budget, thus the budget must be amended to reflect both the revenue and expenditure.
- Grant funds that were anticipated and not received or not anticipated and received.
- Major unanticipated changes in revenue or expenditures. However, revenues must be identified to cover increases in expenditures if such are requested.

Department Heads may, according to the Board's fiscal policies, overspend a line item within their departmental budgets but they may not overspend the total departmental budget without the approval of the Board and offsetting cost reductions identified elsewhere in the budget. Overspending in individual line items does not require a budget amendment.

Inasmuch as the budget is adopted by way of an Ordinance requiring two public readings, the budget is amended by way of an Ordinance, also requiring two readings. The Ordinance amending the budget indicates the additional, unanticipated or larger than anticipated revenues and the additional expenditures.

**Annual Financial Report and Audit:**

The budget process concludes with the preparation of the Comprehensive Annual Financial Report and Audit. This is both an internal and external report that verifies and clarifies that the Village's annual fiscal programs are in accordance with generally accepted accounting principles. For the first time in the history of the Village of Oswego, the 2003 Comprehensive Annual Financial Report (CAFR) was prepared according to the standards of the Government Finance Officers Association's Certificate of Achievement Program and won the Certificate of Achievement for Excellence in Financial Reporting. All subsequent annual reports have been and will be prepared in the format necessary to continue receiving this award from the GFOA.

**CONCLUSION:**

Through the budget, every effort is made to implement the Board's goals. Also, through the budget, every effort is made to deliver efficient, effective municipal services while maximizing the dollars available to provide those services. Finally, and most importantly, every effort is made to present the budget in as readable and comprehensive a manner as possible. It is, after all, the budget that explains to the public how their tax dollars will be spent.

**Village of Oswego  
2007/2008 Budget Development  
Timeline**

November/December, 2006 – At Board meeting, the Board establishes their goals for the coming fiscal year.

Week of November 13, 2006 – Meetings with Department Heads to go over the first six months of the current fiscal year and discuss what is anticipated for the final six months.

November 13, 2006 – Estimated Tax Levy Resolution is adopted at Board Meeting.

December 4, 2006 -- Public Hearing is held on the 2006 Tax Levy at Board Meeting.

December 4, 2006 – 2006 Tax Levy is adopted by Board at Board Meeting.

January 5, 2007 – Capital and Staffing Plans are due. First draft of budget is due.

January/February, 2007 -- First draft of budget is assembled. Meetings are conducted by the Village Administrator and Finance Director with the various department heads. Draft budget and capital and staffing plans are refined in order to produce a balanced budget in the General Fund.

March 8, 2007 – The first draft of the Budget and capital and staffing plans is given to the Board at the C.O.W.

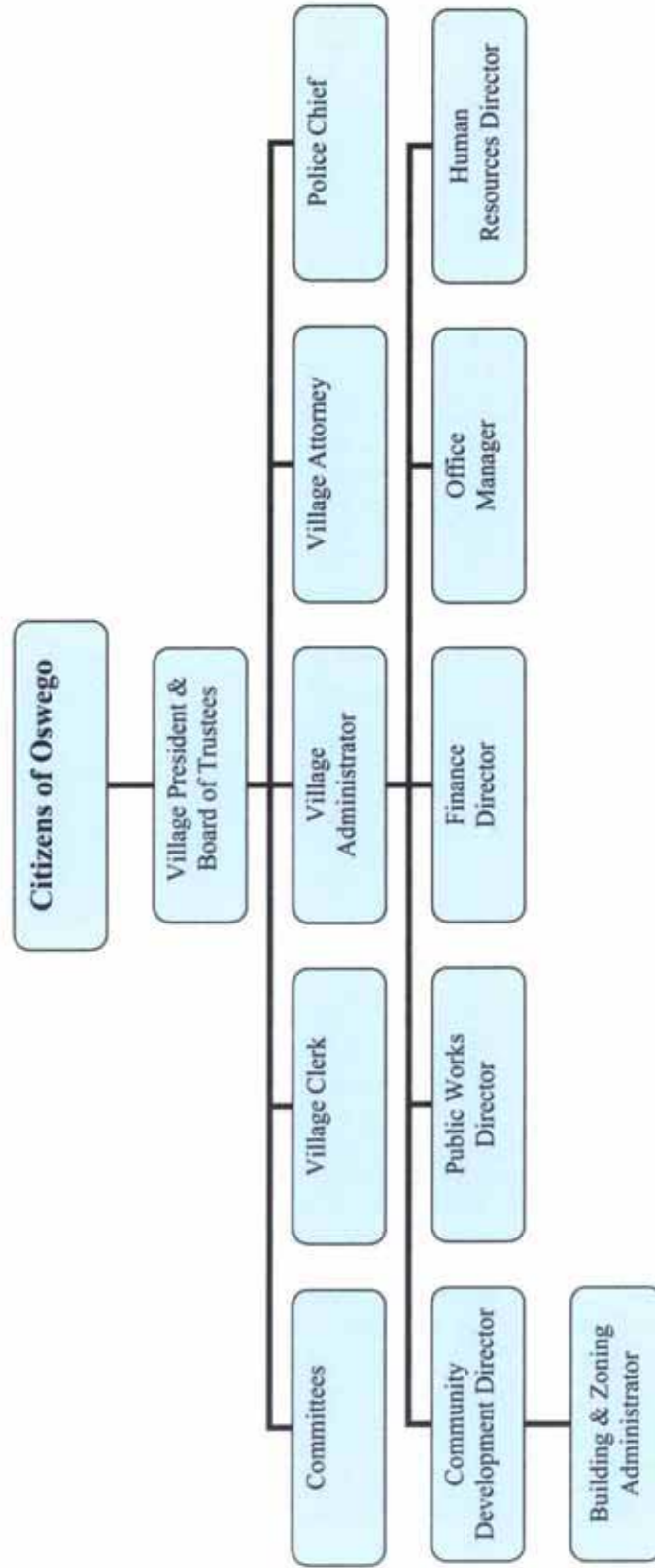
March 19, 2007 -- Review of the draft Budget and capital and staffing plans at the C.O.W.

March 26, 2007 – Second and final review of the draft Budget and capital and staffing plans at the C.O.W. Announcement is made that the Budget is ready for public inspection and that the public hearing for the Budget will be held on April 9, 2007.

April 9, 2007 – Public hearing is held. Board adopts Fiscal Year 2007/2008 Budget at Board Meeting.

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# Village of Oswego Organizational Chart



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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**FINANCIAL SUMMARY**

The financial status of the Village of Oswego for the fiscal year ended April 30, 2006, which is the last fiscal year for which an audit has been conducted, shows the General Fund with a healthy Fund Balance of \$4,733,089, up from \$4,624,543 the year prior, an increase of \$108,546. This Fund Balance represented a 5.3 month reserve as of the end of FY 2005/2006, above the minimum reserve requirement of three months and slightly below the recommended level of six months. Reserves are required in order to cover cash flow requirements due to the fluctuating nature of certain revenue streams in the General Fund, including property taxes and building permits.

Revenues in the General Fund totaled \$9,420,037, before transfers, for the year, up from \$9,240,485. There are many factors that impacted this increase in revenue, including increased sales taxes, income taxes and building permit revenues. Revenues are expected to increase each year as the Village adds significant sales tax producing businesses to the Village, the population increases due to growth that will push per capita revenues higher (the Village will have a special census completed early in FY 2007/2008 which will increase the amount of income tax, motor fuel tax and use tax dollars to the Village as these are allocated on a per capita basis) and reaching home-rule status will allow the Village increased diversification in its revenue base structure. Home-rule status is expected to happen in FY 2007/2008.

Operating expenditures for the fiscal year were \$9,420,037, up from \$8,316,616 the prior year. The increase is due to increased salaries throughout the fund and higher staffing levels committed to the Police department so that the department could operate 24 hours a day 7 days a week. Retirement costs pushed noticeably higher due to the increased employer contribution rate for the Police Pension Fund contribution by the Village. There is no one or two categories that will explain the increase from one fiscal year to the next - this is the impact that growth is having on the Village.

The total outstanding debt for the Village at April 30, 2006 was \$14,432,504, down from \$15,271,377 the year prior. General obligation debt reduced by \$405,000 while enterprise fund debt decreased by over \$600,000. Bonds were issued in May, 2006 for the completion of the Town Center Renovation project as well as for the new Village Hall. The total of these two issuances was \$11,555,000.

In summary, at the end of Fiscal Year 2005/2006, the Village's audit revealed that the General Fund and all other funds of the Village of Oswego had improved their financial stability from the prior fiscal year and all funds are in strong financial shape. Reserves in all funds are more than adequate to cover short-term cash flow deficiencies. Increasing revenue bases have allowed the Village to add staff and maintain, if not increase, service levels to the citizenry of the Village of Oswego.

The Fiscal Year 2007/2008 Budget has been planned within a conservative framework. It is designed to accommodate increased demands for services without dramatically increasing expenditures in the process. Expenditures have been kept below projected revenues and departments will consider all expenditures carefully even though there is the budget authority to spend the funds.

The Board's fiscal policies express that a minimum of a three month reserve in the General Fund is required, while a six month reserve would be optimal. The Fiscal Year 2007/2008 Budget is presented with a General Fund Fund Balance that is anticipated to have a 4.6 month reserve.

### **FINANCIAL PROJECTION – 2007/2008 BUDGET**

The Village of Oswego faces several financial challenges in Fiscal Year 2007/2008. The following is a list of the most important.

**1. Complete a funding plan for the Douglas Road Reconstruction project scheduled to begin later in FY 2007/2008.**

This is the largest infrastructure project, to date, that the Village of Oswego will undertake. This project will expand the 1.4 mile section of Douglas Road between Routes 30 and 34 to a five lane road and will replace all water, sanitary and storm sewer lines under the road along with brand new roadway and curb and gutter.

At the beginning of calendar year 2007, the current total estimated project cost is almost \$12 million. The final cost will not be known until bids are approved and inflation in the construction industry has been about 15% annually over the last several years. The Village has secured \$3.4 million worth of federal grant dollars to offset its funding requirement. This leaves the Village of Oswego with a funding need of at least \$8.6 million.

The Finance department staff will work very closely with the Village's engineering firm to further refine the cost estimates of this project as well as determine if there are any further federal or state dollars that could be devoted to this project. The most realistic choice for the Village's portion of the project is to issue bonds. However, there are several bond funding scenarios that Village staff and the Village's engineers will explore in order for the financial impact on the Village to be as minimal as possible.

**2. Limit access to the Motor Fuel Tax (MFT) Fund's financial resources in order to allow the Fund to rebuild its reserves.**

The MFT Fund took on an increasing amount of projects in the earlier part of the decade that saw its reserves grow low. And, even though it has been a tremendous benefit for the Village to tap into these funds, the MFT Fund needs to continue to



grow these reserves with the Douglas Road project coming up because MFT Funds are planned to help support part of the debt that will be issued for this project.

The Fund is expected to finish FY 2006/2007 with a reserve of \$101,991 and a reserve for FY 2007/2008 of \$372,033. However, increased MFT allotments are not reflected (due to keeping revenue projections on the conservative side) but will start happening in FY 2007/2008 due to the special census that will increase per capita revenues for the Village. With that fact in mind, the MFT Fund should finish FY 2007/2008 even better than what is presented in the budget.

**3. Continue to work on developing a plan for the Village's infrastructure that goes beyond the five-year capital plan.**

Staff has met with the Village's engineering firm to begin discussions on planning what will be the potential infrastructure "hot spots" that will need to be improved when those specific areas start to develop. This is an important plan because this will assist Staff with communicating to developers what is expected of new development in terms of either infrastructure improvements that will be made or financial contributions that will be made.

**4. For the FY 2008/2009 Budget process, move excess Transition Fees into the Capital Improvement Fund.**

Transition Fees have been accounted for in the General Fund since FY 2001/2002. However, the last year that these fees were used to help support operations was FY 2004/2005. Transfers out of the General Fund to the Debt Service Fund to pay for the debt on the Village Hall have totaled \$1.4 million over the last two fiscal years while the Village received only \$1.3 million in Transition Fees during that same time period. Also, capital purchases in the General Fund totaled over \$1.1 million during that same time frame. What this all means is that there have been \$2.5 million worth of expenses being supported by \$1.3 million in transition fees. The Village has definitely "paid back" \$1.2 million worth of Transition Fees it used in the past.

However, now is the time to move the excess Transition Fees to the Capital Improvement Fund. Excess means the amount over and above the total capital costs incurred for the General Fund each year. For FY 2007/2008, as it has done in FY 2005/2006 and FY 2006/2007, if the General Fund experiences a better than budgeted surplus, a transfer will be made to the Debt Service Fund to support the debt for the new Village Hall. After FY 2007/2008, that transfer would come from the Capital Improvement Fund.

**5. Start to develop alternative funding sources that Home Rule powers will grant.**

Home Rule powers in the State of Illinois allow a municipality to develop many alternative funding mechanisms that were not available as a Non-Home Rule entity.

Staff will work together to develop these possibilities and bring them forward to the Finance Committee and then, if approved by the Finance Committee, brought to the Village Board. The Village expects to have Home-Rule powers by the end of 2007.

**6. Continue to maintain, if not increase, service levels to an ever-expanding geographic location and increasing population.**

One of the continuing themes throughout this budget document has been the pace and quantity of growth the Village has experienced over the last twelve years. Each passing fiscal year, new records are set for the number of annexations, new home starts and permits issued. This is a challenge that Oswego must work with for the foreseeable future. The Village cannot legally stop growth; only control it as best it possibly can.

Steps have been taken in this budget to provide for services: Additional police officers, a public works technician and clerical assistants. The funding for these positions comes from a variety of sources, all of which are more than the prior year: sales taxes, utility taxes, income taxes, etc.

The Staffing and Capital Plans establish some of the needs that will help maintain or increase service levels to the community. The other part to this equation is each department learning how to adapt to the increase demands on its resources. This means that departments must be continually evolving and managing different tasks because each passing fiscal year is very different from the previous one.

In conclusion, the Village of Oswego has significant financial, as well as non-financial, challenges in front of it. Village staff must continually redefine the parameters within its work environment in order to stay proactive rather than reactionary. There are increasing revenue streams coming into the Village but that does not give the Village government an open license to spend these funds. Financial prudence and fiscal conservatism are two tenants that go into the planning and budget process each fiscal year.

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**REVENUE SUMMARY**

**Property Taxes**

Property taxes levied in December, 2006 fund the Fiscal Year 2007/2008 Budget. With that in mind, the property tax revenues for the Village are clearly known during the time the budget is developed. The total tax levy extended for December, 2006 for the Village of Oswego's purposes is as follows:

	<u>2005 Levy</u>	<u>2006 Levy</u>	<u>Increase</u>
Corporate*	\$105,168	\$111,368	
IMRF*	141,456	165,432	
Police Pension*	638,396	726,606	
Audit*	0	0	
Bonds and Interest	<u>0</u>	<u>0</u>	
	\$885,020	\$1,003,406	\$118,386

\* These items are combined in the General Fund presentation with Road and Bridge taxes.

This tax levy is the second lowest in the region. However, Oswego's population is one of the highest in the area. This means that, though it is significant, property tax dollars are not the major funding source for operations in the Village. In fact, there are four other revenue streams that provide more funds than property taxes do. This is quite different when compared to almost every other municipality in this State, if not this Country.

The following is a listing of the levy increases over the last ten years:

2006	\$118,386
2005	\$43,810
2004	\$71,060
2003	\$64,362
2002	\$53,720
2001	\$87,066
2000	\$20,548
1999	\$52,368
1998	\$40,102
1997	\$75,538

The increases throughout the years have not had a dramatic fluctuation in terms of dollars. The additional funds have provided little in terms of providing Oswego the

resources needed to maintain service levels. The tax cap has determined the extent to which Oswego can levy and has forced the Village to consider alternative funding streams, such as Utility Taxes. However, as noted earlier in the Budget Message, the reliance on Transition Fees to fund operations for the Village has stopped. Other revenue streams, specifically Income and Sales taxes and Permit revenues, have increased significantly to allow the Village to shift Transition Fees to funding capital purchases.

The following is a ten year comparison of the Village's tax rate. The rates are in terms of equalized assessed dollars. For example, if a rate is 0.1356 per \$100 of assessed value, the calculation to determine how much a homeowner pays annually to the Village would be calculated as follows:

Home market value: \$360,000      Equalized assessed value: \$120,000

Tax calculation:  $\$120,000 \times 0.1356 = \$16,272$ ;  $\$16,272/\$100 = \$162.72$

Thus, a homeowner with a house valued at \$360,000 would pay \$162.72 in 2007 to the Village of Oswego.

### Municipal Tax Rate Comparison

<u>Year</u>	<u>Tax Rate</u>	<u>Percent Change</u>
2006	0.1356(estimated)	(5.77%)
2005	0.1439	(14.45%)
2004	0.1682	(8.19%)
2003	0.1832	(6.86%)
2002	0.1967	(7.13%)
2001	0.2118	(4.34%)
2000	0.2214	(10.87%)
1999	0.2484	(3.61%)
1998	0.2577	(3.48%)
1997	0.2670	0.72%

As one can see, nine out of the last ten years saw the Village's tax rate go down even though, in terms of dollars, all the levies increased. This is a direct result of the growth Oswego is experiencing. The increase of the assessed valuations in the Village is more than offsetting the amount the tax levy is allowed to grow due to the tax cap. In other words, **homeowners are paying decreasing property tax amounts each year to the Village of Oswego for nine of the last ten years**, all other things being equal. This trend will continue as long as the Village is under the tax cap requirements.

### Sales Taxes and Sales Tax Rebate

The Village's sales tax revenues have increased tremendously over the last several years. The opening of Oswego Commons in late 2001 and into early 2002 has boosted this revenue source for the Village making it the primary source of funding in the

General Fund. There are five sales tax rebate agreements in place that rebate a portion of sales taxes back to the developer and/or retail stores. Of these five, two is active (Oswego Commons and Kohl's) and the other three (Meijer's, Super WalMart and the Bauman property) are either awaiting the opening of the anchor tenants or the payment of the recapture for the sales tax rebates to start. The opening of these two other retail stores, as well as the start of the incentive agreements, are anticipated to start in mid-2007 and continue into 2008.

The sales tax incentive agreement already in place for Oswego Commons is in its sixth year of a ten year agreement. The first two years saw the Village recognize 30% of the sales tax revenue generated by the Oswego Commons area, with 70% being rebated. The third and fourth years saw the Village realize 25% with 75% being rebated. Currently in its sixth year, the incentive agreement rebates 50% of sales tax dollars back and the Village recognizes 50%. This allocation method will hold true for the seventh year of the agreement. In years eight through ten, the Village will recognize 75% of the revenue and rebate 25%. Thus starting in January, 2012, all the sales tax revenues from Oswego Commons will be recognized by the Village. This incentive agreement was necessary to ensure the Village would secure bringing these large retail facilities to Oswego as well as pay for the much needed infrastructure improvements that were done with this project.

The Kohl's sales tax rebate began its tracking when the store opened in October, 2006. The rebate is capped at \$1 million and will be shared 50/50 between Kohl's and the Village of Oswego. The term of the rebate is also capped at ten years. This means if Kohl's does not receive \$1 million by October, 2016, the rebate terminates at whatever amount is due to Kohl's as of October 31, 2016.

The three other incentive agreements are tied to two separate developments. The first is for a Meijer's store, a part of the U.P. development, and the other is for a Super WalMart, a part of the Prairie Market development. Each development will have other "big box" and smaller retailers around them, but these are the "anchors" for each of the developments. The incentive agreement for the Meijer's development will only last five years and is a capped dollar amount. This incentive agreement reimburses the developer for infrastructure costs that alleviates the Villages financial burden to have to make the infrastructure improvements on its own and using its own funds. The Village will receive 70% of the Sales Tax revenues for the first year this agreement is in effect, 60% for the second and third years and 50% until the entire incentive amount is rebated to the developer. Staff believes this agreement will only need five years to complete.

The second rebate is for the Super WalMart and is based on the same purposes as the Meijer's incentive – the reimbursement to the developer for improving public infrastructure that would normally fall upon the Village to accomplish. However, the allocation method is different. The Village will retain 60% of the sales tax revenues of this development and rebate 40% to the developer until the agreed upon incentive amount is fully rebated to the developer. Staff, again, believes this should take no longer than five years to fulfill the obligation to the developer.

Finally, the last rebate reimburses the land owner of the Super WalMart development for recapture costs associated with infrastructure work done in cooperation with the land owner of the Meijer's development. The total amount for this is \$305,000 and was approved by the Board in late 2006.

Sales tax revenue is not solely located in the General Fund. It is also recognized in the Debt Service Fund as it is the pledged revenue source for the 2001 refunding bonds and the 2004A bonds. For FY 2007/2008, the Village anticipates to realize, in total, \$4,646,997 in sales taxes and recognize, net of the rebate, \$3,619,834. This includes new sales taxes from the Meijer's or Super WalMart developments but at a very conservative estimate. There are several other stores opening in FY 2007/2008, including Dick's Sporting Goods, Best Buy and Circuit City.

### **Transition Fees**

Transition fees are one time fees collected from developers on the construction of a new home in the Village. The Village anticipates recognizing \$920,250 in Transition Fee revenue in FY 2007/2008. The other component here is the Roadway Improvement Fee which is recognized in the Capital Improvement Fund. \$231,138 is expected to be realized in FY 2007/2008 from this fee. Both fees are subject to fluctuations depending on housing market conditions. Currently, the housing market is down and that is why Transition Fees are lower than what was realized just two and three years ago.

Transition fees will be adjusted in FY 07/08 after a comprehensive study will be done by Crowe-Chizek. This new study will do away with the Northern Illinois matrix style study done several years ago.

### **Use Tax**

Use Tax is a corporate income tax that is distributed by the State of Illinois to municipalities on a per capita basis. The Village anticipates receiving \$297,205 in Use Tax revenue in FY 2007/2008. The increase from FY 2006/2007 is due higher anticipated collections in this corporate income tax form as well as several months at a higher population basis.

### **Income Tax**

Income Tax is also maintained by the State of Illinois and distributed on a per capita basis. Revenue recognized in this area has started to improve over the last year due to the improvement in the economy and unemployment. The Village of Oswego anticipates receiving \$1,930,665 in FY 2007/2008, an increase from the prior fiscal year due to the increase in income of the residents of the State of Illinois on a per capita basis as well as an increase due to the special census. A two month increased population impact was factored in here.

### **Personal Property Replacement Tax**

Personal Property Replacement Tax (PPRT) is a tax that replaced the personal property tax on corporation's assets. The Village expects to receive \$9,300 in FY 2007/2008 in this category.

### **Telecommunications Surcharge**

Telecommunications Surcharge is a utility tax placed upon all land-based and wireless communications in the Village. It was enacted in the late 1990's to support police department operations. The collection of this tax is administered by the Illinois Department of Revenue which, in turn, then distributes the funds to those municipalities that charge the tax. The Village charges the maximum amount, 6%, in this area and expects to recognize \$1,037,318 in FY 2007/2008. This revenue stream has stagnated somewhat due to the growth in offerings by cable companies for phone service as well as the "all service for one low monthly price" services.

### **Utility Tax**

Utility Tax is a surcharge on the natural gas and electricity usage within the corporate limits of the Village of Oswego. The rate is 3% and the maximum allowed under State statutes is 5%. It is annually reviewed to determine if it could be reduced or eliminated altogether without adversely affecting the revenues or fund balance in the General Fund. The Village anticipates \$1,144,616 in Utility Tax revenues in FY 2007/2008 and expects it to grow at the pace of the growth in the Village.

### **Licenses and Permits**

Licenses and Permits revenue tracks the many revenue forms of the same name for the Village. The largest revenue streams here are building permits, repair permits and contractor registration. These fees are reviewed each year to determine if the Village is charging current and competitive rates in order to maximize its revenues recognized here as well as cover its costs for supplying services. There were several fees that were increased for FY 2005/2006 and, at this point in time, the Village has no reason to increase them. The Village of Oswego anticipates recognizing \$1,295,113 in this revenue stream in FY 2007/2008. This is down significantly from FY 2006/2007 due to the high amount of commercial activity that was permitted in FY 2006/2007.

### **Fines and Forfeitures**

Fines and forfeitures are revenues generated for the most part by the police department. One of the unfortunate patterns experienced with growth is that traffic laws are violated at an increasing rate. Though this trend does bring in additional revenues to the Village, the population of the Village of Oswego would be better served to recognize the established traffic laws and obey them. Revenue generated in this area in FY 2007/2008 will be \$204,850, staying almost equal with FY 2006/2007.

### **Charges for Services**

Revenue generating services for the Village include water and sewer charges, garbage collection charges, inspection fees, police security details at the local schools and non-Village events and salary reimbursements for time spent on development projects. The budgeted amount in this category increased in FY 2007/2008 to \$10,551,432. Of this amount, \$8,088,545 is recognized in the Water and Sewer Fund, \$1,523,518 in the Garbage Collection Fund and \$541,724 in the General Fund. Part of the increase for FY 2007/2008 is due to the increased water rate fee, from \$2.56 to \$2.63 per 100 cubic feet. Water consumption is provided in the Water and Sewer Fund section of this document.

### **Employee Contributions**

This revenue stream accounts for the contribution recorded in the Police Pension Fund for the police officers payroll contributions to their pension plan. This amount will be \$349,840 in FY 2007/2008, up from \$315,000 expected to be realized in FY 2006/2007.

### **Recycling Rebate**

The Recycling Rebate is what the Village receives back from its contracted waste hauler, Allied Waste, for the recycling that is done in the Village. This rebate funds the efforts of the ECO committee and the environmentally friendly activities this committee encourages throughout the Village. Again, this revenue source will continue to grow in direct relation to the Village's growth. The Village expects to recognize \$5,000 in revenues in FY 2007/2008 in the General Fund, with the remaining funds being rebated back to Village residents.

### **Interest**

Interest revenue for the Village has been low for many years due to the fact that the interest rates paid by the banking industry have been low. However, this changed in FY 2005/2006 due to increased rates from the Federal Reserve Bank. Interest rates increased dramatically from FY 2004/2005: almost three-fold. Interest revenues for FY 2007/2008, for all budgeted funds, are anticipated to be \$973,827, down from the \$1,098,786 expected in FY 2006/2007. This downturn is due to lesser amounts of bond money expected to be on hand.

### **Rent**

Rent revenue is recognized for the space on Village water towers that are rented to telecommunication companies for wireless communication purposes. The Village expects to generate \$24,700 in rent revenue in FY 2007/2008.



### **Grants/Intergovernmental**

Grant revenues are excellent opportunities for the Village to enhance services or amenities in the Village of Oswego for use by its citizens. Intergovernmental revenues are those revenues collected by another government agency and paid to the Village to be used for specific projects. The \$4,026,192 in grant/intergovernmental revenues to be recognized in FY 2007/2008 is allocated as follows: \$41,150 to the General Fund, \$585,042 to the MFT Fund and \$3,400,000 to the Capital Improvement Fund for the Douglas Road project. The General Fund grant monies are all police department revenue and will be applied to special work details that enable the police department to have better interaction in the community. The \$568,746 for the MFT Special Revenue Fund is reserved for those infrastructure projects that meet MFT criteria.

### **Transfers from Other Funds**

This revenue stream consists of two areas. The first comes from the Water and Sewer Fund to the General Fund and is comprised of two components - charges for administrative services and payments in lieu of property taxes. The charge for administrative services portion totals \$382,146 and the payments in lieu of property taxes portion totals \$439,363 for a total amount of \$821,509 in FY 2007/2008. The administrative services are those expenditures that are incurred in the General Fund for issues related to the Water and Sewer Fund. Payments in lieu of property taxes are the property tax payments the Water and Sewer Fund would have to make if it were truly a private business, not just an enterprise fund of the Village operating as if it were a stand alone, private business. The second portion of this revenue item is a transfer of Transition Fees from the General Fund to the Debt Service Fund to pay for future debt service payments related to the bonds issued for the new Village Hall. This amount totals \$350,000. The total, Village-wide Transfers to Other Funds revenue stream is \$1,171,509.

### **Other**

Other revenues include small, miscellaneous revenue sources, cable TV franchise fees and Reimbursements in the MFT Fund. The total revenue to be recognized in this area in FY 2007/2008 totals \$414,686.

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**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**All Fund Revenues**

	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b><u>CHANGE</u></b>
General Fund	11,136,031	12,526,975	12,059,831	13,208,643	5%
Motor Fuel Tax	691,493	591,746	587,364	795,042	34%
Water and Sewer	6,802,150	7,702,383	7,337,284	8,280,622	8%
Capital Improvement	73,687	225,000	10,332,775	12,456,138	5436%
Garbage Collection	1,237,590	1,384,412	1,377,021	1,523,518	10%
Special Census Fund	501,978	15,000	20,749	12,500	-17%
Debt Service	1,146,997	1,153,546	1,182,299	621,933	-46%
Police Pension	<u>951,308</u>	<u>1,307,970</u>	<u>1,195,600</u>	<u>1,376,446</u>	5%
<b>TOTAL REVENUES</b>	<b>22,541,234</b>	<b>24,907,032</b>	<b>34,092,923</b>	<b>38,274,842</b>	<b>54%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**ALL FUND REVENUES BY SOURCE SUMMARY**

<u>REVENUE</u>	<u>FY 05/06 ACTUAL</u>	<u>FY 06/07 BUDGET</u>	<u>FY 06/07 ESTIMATED</u>	<u>FY 07/08 PROPOSED</u>	<u>CHANGE</u>
Property Taxes	1,385,714	1,640,127	1,644,706	1,865,012	14%
Sales Taxes	3,242,669	3,719,221	3,466,586	4,646,997	25%
Sales Tax Rebate	(740,075)	(635,116)	(572,588)	(1,027,163)	62%
Transition Fees	782,048	880,402	786,197	1,151,388	31%
Use Tax	240,777	251,965	255,567	297,205	18%
Income Tax	1,525,240	1,832,761	1,833,158	1,930,665	5%
Replacement Tax	9,135	9,180	9,180	9,300	1%
Telecommunications Surcharge	952,523	1,054,384	938,579	1,037,318	-2%
Utility Tax	837,414	895,874	899,942	1,144,616	28%
Licenses and Permits	1,803,611	2,091,707	2,106,740	1,295,113	-38%
Fines and Forfeitures	191,542	156,000	211,936	204,850	31%
Charges for Services	8,370,417	9,471,369	9,035,560	10,153,787	7%
Employee Contributions	277,124	369,764	315,000	349,840	-5%
Recycling Rebate	5,007	5,000	5,000	5,000	0%
Interest	633,042	909,880	1,098,786	973,827	7%
Rent	64,501	23,400	24,700	24,700	6%
Grants Intergovernmental	672,415	597,246	648,851	4,026,192	574%
Transfers From Other Funds	1,734,461	1,483,079	1,483,079	1,171,509	-21%
Other	<u>553,669</u>	<u>150,789</u>	<u>209,840</u>	<u>414,686</u>	175%
<b>SUB-TOTAL REVENUE</b>	<b>22,541,234</b>	<b>24,907,032</b>	<b>24,400,819</b>	<b>29,674,842</b>	<b>19%</b>
<b>Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>9,692,104</b>	<b>8,600,000</b>	<b>100%</b>
<b>TOTAL REVENUE</b>	<b>22,541,234</b>	<b>24,907,032</b>	<b>34,092,923</b>	<b>38,274,842</b>	<b>54%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**All Fund Expenditures**

	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b><u>CHANGE</u></b>
General Fund	11,027,484	12,469,287	11,938,658	13,086,674	5%
Motor Fuel Tax	1,182,599	615,000	610,343	525,000	-15%
Water and Sewer	5,064,519	5,644,718	5,395,216	6,453,439	14%
Capital Improvement	2,440,790	7,264,388	5,900,000	10,200,000	40%
Garbage Collection	1,197,131	1,364,487	1,362,791	1,507,928	11%
Special Census Fund	0	175,000	0	500,000	186%
Debt Service	544,641	914,080	505,075	1,057,428	16%
Police Pension	<u>170,209</u>	<u>189,322</u>	<u>185,448</u>	<u>191,786</u>	1%
<b>TOTAL EXPENSES</b>	<b>21,627,373</b>	<b>28,636,282</b>	<b>25,897,531</b>	<b>33,522,255</b>	<b>17%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**ALL FUND EXPENDITURES BY CATEGORY SUMMARY**

<b><u>EXPENSES</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	5,347,369	6,490,245	6,329,225	7,213,611	11%
Salaries Part-Time	91,384	117,654	80,264	119,615	2%
Overtime	240,279	298,460	291,276	361,950	21%
Stipends	<u>30,464</u>	<u>50,000</u>	<u>32,465</u>	<u>34,500</u>	-31%
<b>Total Personnel Services</b>	<b>5,709,496</b>	<b>6,956,359</b>	<b>6,733,230</b>	<b>7,729,676</b>	<b>11%</b>
<b>Insurance and Benefits</b>	1,468,342	1,931,063	1,670,035	2,738,651	42%
<b>FICA and IMRF</b>	539,628	702,853	660,845	0	-100%
<b>Professional Services</b>	2,054,620	2,458,737	2,265,333	3,249,242	32%
<b>Contractual Services</b>	1,937,030	2,286,361	2,219,839	2,565,317	12%
<b>Communication</b>	190,188	212,130	203,526	242,010	14%
<b>Professional Development</b>	112,031	182,545	158,138	242,816	33%
<b>Operating Supplies</b>	827,351	827,538	714,260	880,055	6%
<b>Depreciation of Capital Assets</b>	1,043,207	1,106,363	1,106,363	1,216,999	10%
<b>Capital Outlay</b>	4,368,161	8,445,633	7,046,467	11,166,378	32%
<b>Transfers</b>	2,349,122	2,121,285	2,121,285	1,898,115	-11%
<b>Debt Service</b>	<u>1,028,197</u>	<u>1,405,415</u>	<u>998,210</u>	<u>1,592,996</u>	13%
<b>TOTAL EXPENSES</b>	<b>21,627,373</b>	<b>28,636,282</b>	<b>25,897,531</b>	<b>33,522,255</b>	<b>17%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**General Fund**

<b><u>REVENUE</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b><u>CHANGE</u></b>
Property Taxes	880,767	1,001,921	1,014,106	1,138,406	14%
Sales Taxes	2,777,378	3,365,925	3,113,290	4,385,064	30%
Sales Tax Rebate	(740,075)	(635,116)	(572,588)	(1,027,163)	62%
Transition Fees	782,048	880,402	546,197	920,250	5%
Use Tax	240,777	251,965	255,567	297,205	18%
Income Tax	1,525,240	1,832,761	1,833,158	1,930,665	5%
Replacement Tax	9,135	9,180	9,180	9,300	1%
Telecommunications Surcharge	952,523	1,054,384	938,579	1,037,318	-2%
Utility Tax	837,414	895,874	899,942	1,144,616	28%
Licenses and Permits	1,802,771	2,090,957	2,105,990	1,294,363	-38%
Fines and Forfeitures	191,542	156,000	211,936	204,850	31%
Charges for Services	453,601	508,907	496,194	541,724	6%
BFI Rebate	5,007	5,000	5,000	5,000	0%
Interest	167,303	223,047	226,096	235,000	5%
Rent	64,501	23,400	24,700	24,700	6%
Grants	59,665	28,500	70,131	41,150	44%
Transfers from Other Funds	634,461	683,079	683,079	821,509	20%
Other	<u>491,973</u>	<u>150,789</u>	<u>199,274</u>	<u>204,686</u>	36%
<b>TOTAL REVENUE</b>	<b>11,136,031</b>	<b>12,526,975</b>	<b>12,059,831</b>	<b>13,208,643</b>	<b>5%</b>

## INTERPRETIVE NOTES ON CHARTS AND GRAPHS

### **General Fund Operating Revenue**

The pie chart on p. 44 depicts the sources of revenue that support the General Fund budget. Sales Taxes (net of any rebates) are the largest source, at 24%. Sales Taxes are followed by Income Tax at 15%, Licenses and Permits at 10%, Property Tax and Utility Tax both at 9% and Telecommunications Surcharge at 8%.

### **General Fund Selected Revenue**

The selected revenue chart on p. 45 details the most recent three years activity for six revenue sources, the most recent year being FY 2007/2008. This chart shows how much Sales Taxes and Income Taxes have increased over the last three years, whereas Transition Fees are fluctuating because of the downturn in the housing market. Telecommunications Surcharge has leveled off due to cable companies now offering telephone service as well as telecommunication companies offering deeply discounted telephone services. Licenses and Permits are increasing but FY 2006/2007 has a spike in the activity for that fiscal year due to the high amount of commercial property permitted. Property Taxes have increased marginally over the three years, growing only as much as the property tax cap will allow it.

### **General Fund Operating Expenditures**

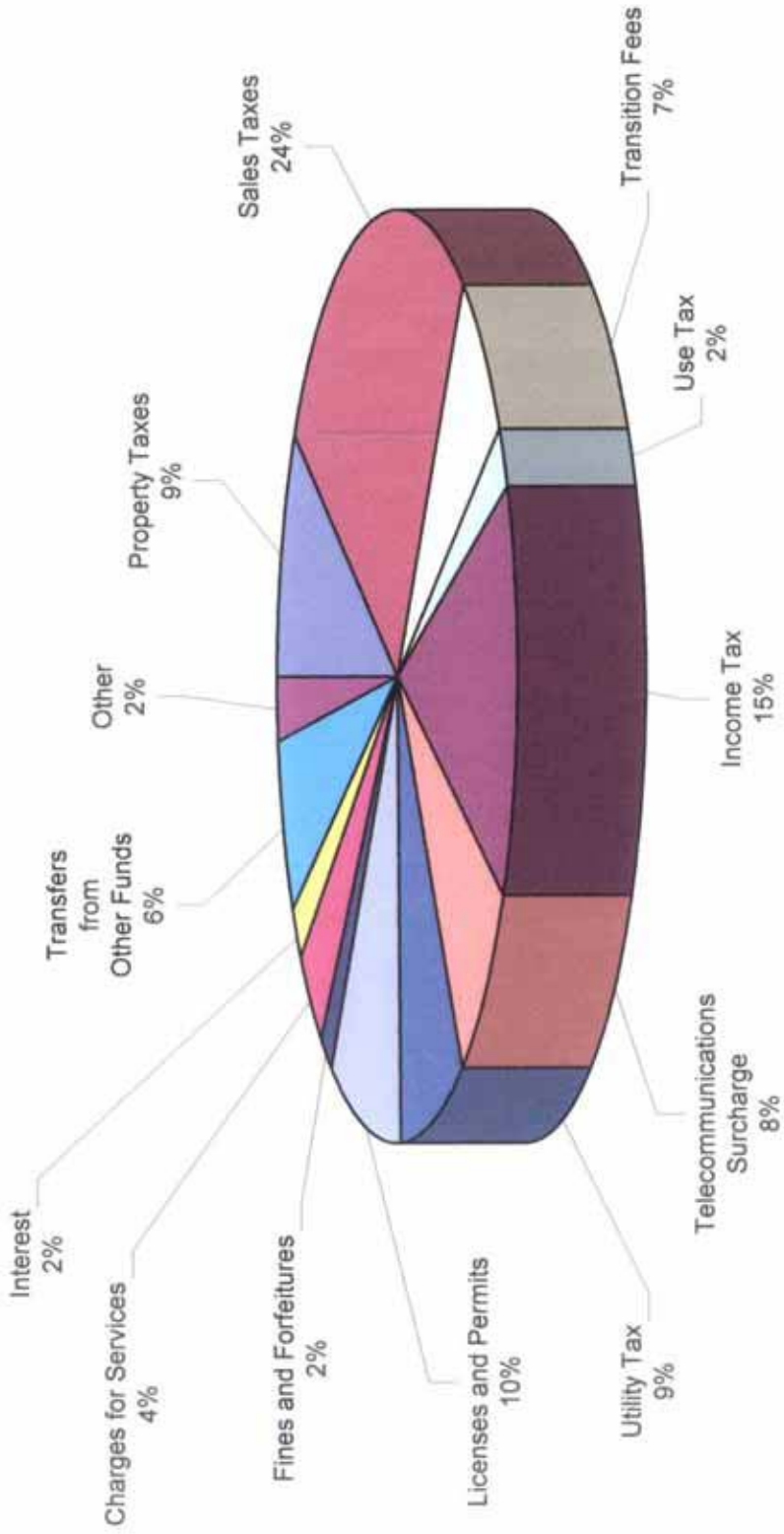
General Fund operating expenditures on p. 47 shows the various departments' totals to the total for all expenditures in the General Fund. This graph further explains the information from p. 46. The Police Department is the highest at 57.9% followed by Corporate at 17.9%. Road and Bridge is next at 10.7%, followed by Building and Zoning at 8.4% and Community Development at 5.1%.

### **Department and Fund Expenditure Summary Charts**

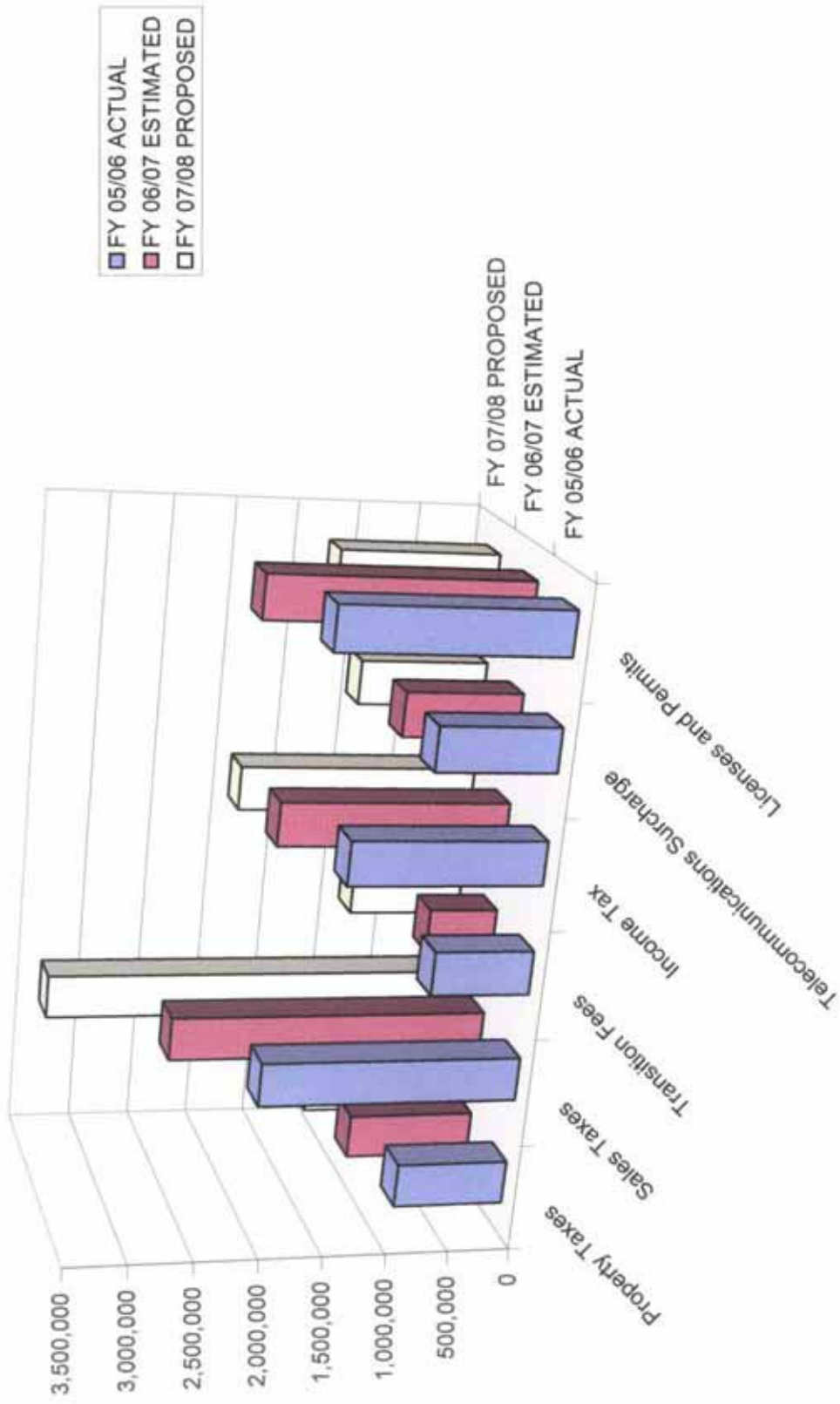
In each of the Departments in the General Fund and the remaining funds presented in the budget document, there are bar charts that depict a multi-year expenditure summary in the respective department of fund from their summary sheets on the page prior to the chart. These bar charts further visualize the expenditures for the Departments in a common manner and allow the reader a simple means to understand the expenditures the Village incurs over several years.



Village of Oswego  
General Fund Operating Revenue



Village of Oswego  
General Fund Selected Revenue



**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

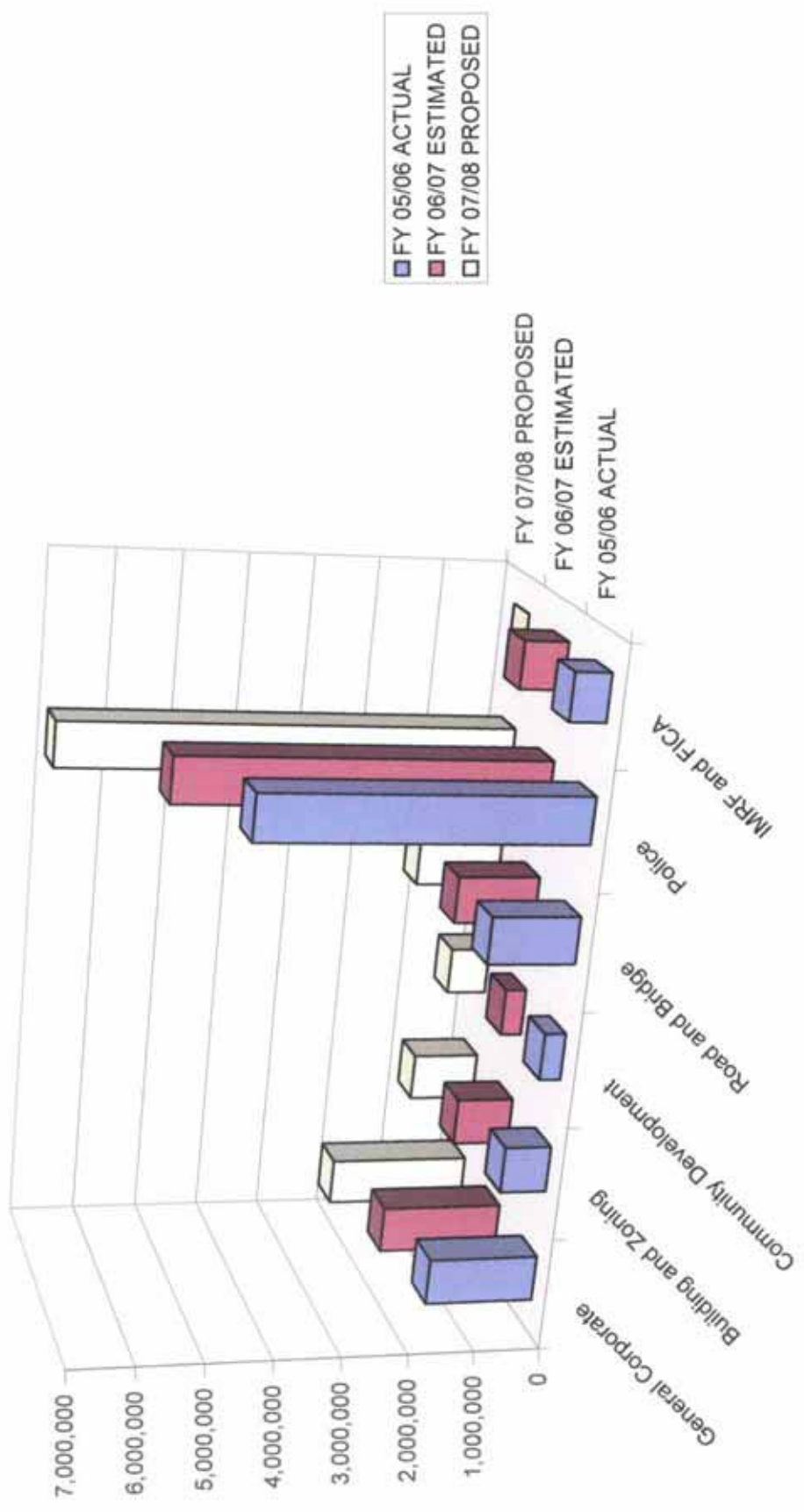
**General Fund**

<b><u>EXPENDITURES</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
General Corporate	1,636,194	1,857,543	1,828,231	2,152,792	16%
Building and Zoning	693,131	863,900	857,304	1,009,328	17%
Community Development	313,529	503,759	315,617	601,932	19%
Road and Bridge	1,301,598	1,261,997	1,239,417	1,290,109	2%
Police	4,828,743	5,841,029	5,599,038	6,955,907	19%
IMRF and FICA*	<u>539,628</u>	<u>702,853</u>	<u>660,845</u>	<u>0</u>	-100%
<b>Sub-Total Expenditures</b>	<b>9,312,823</b>	<b>11,031,081</b>	<b>10,500,452</b>	<b>12,010,068</b>	<b>9%</b>
Transfer to Debt Service Fund#	600,000	800,000	800,000	350,000	-56%
Transfer to Special Census Fund	500,000	0	0	0	0%
Transfer to Trust and Agency Fund	186,630	0	0	0	0%
Transfer to Police Pension Fund	<u>428,031</u>	<u>638,206</u>	<u>638,206</u>	<u>726,606</u>	14%
<b>TOTAL EXPENDITURES</b>	<b>11,027,484</b>	<b>12,469,287</b>	<b>11,938,658</b>	<b>13,086,674</b>	<b>5%</b>

\* Note - FICA and IMRF expenses, starting in FY 07/08, are recognized in the various departments of the General Fund.

# Note - The Transfer to Debt Service Fund pays for the bonds issued for the new Village Hall.

Village of Oswego  
General Fund Expenditures



## INTERPRETIVE NOTES ON FUND SUMMARIES

A one page analysis of the General Fund follows this page. The General Fund balance represents all assets of the General Fund (cash and receivables, etc.) less all liabilities (accounts payable, accrued payroll and deferred revenues, etc.). The General Fund began FY 2006/2007 with a Fund Balance of \$4,733,089. Of this amount, \$96,976 was reserved for specific purposes meaning that there was \$4,636,113 unreserved that could be applied to any expenditure that the Village sees fit.

In FY 2006/2007, it was anticipated that revenues would total \$12,059,831 and expenditures would total \$11,938,658. This would leave the General Fund with a Fund Balance of \$4,854,262, or a 4.9 month reserve based upon annual expenditures of \$11,938,658. It is the Board's goal to maintain a minimum of a three month reserve in the General Fund, with a six month reserve being the recommended level. For FY 2006/2007, the Village is between the minimum and recommended levels.

In FY 2007/2008, the Board has authorized budgeted revenues at \$13,208,643 and expenditures at \$13,086,674. This leaves a surplus of \$121,969 for the fiscal year and an ending Fund Balance of \$4,976,231. Based on this anticipated ending fund balance at the end of FY 2007/2008, the General Fund will have a reserve of 4.6 months, well within the Board's stated reserve goal.

Following the one page General Fund summary is a single page summary for all Fund Balances and Retained Earnings for those Funds that the Village prepares a budget. All Funds have either a positive Fund Balance or Retained Earnings, demonstrating the sound financial condition the Village of Oswego is in.

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**GENERAL FUND - FUND BALANCE ANALYSIS**  
**as of 4/30/2007**

<b>Beginning Fund Balance (4/30/06):</b>	<b>\$4,733,089</b>
Anticipated Activity for Fiscal Year 06/07	
Revenues	12,059,831
Expenditures	<u>11,938,658</u>
Anticipated Surplus(Deficit)	121,173
<b>Projected Fund Balance as of April 30, 2007:</b>	<b>\$4,854,262</b>

**GENERAL FUND - FUND BALANCE ANALYSIS**  
**as of 4/30/2008**

<b>Projected Beginning Fund Balance (5/1/07):</b>	<b>\$4,854,262</b>
Anticipated Activity for Fiscal Year 07/08:	
Revenues	13,208,643
Expenditures	<u>13,086,674</u>
Anticipated Surplus(Deficit)	121,969
<b>Projected Fund Balance as of April 30, 2008:</b>	<b>\$4,976,231</b>

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**Fund Summary**

	<b><u>FY 05/06</u></b>	<b><u>FY 06/07</u></b>	<b><u>FY 07/08</u></b>
	<b><u>Actual</u></b>	<b><u>Estimated</u></b>	<b><u>Proposed</u></b>
<b><u>Motor Fuel Tax Fund</u></b>			
<b>Beginning Fund Balance</b>	<b>616,076</b>	<b>124,970</b>	<b>101,991</b>
Revenues	691,493	587,364	795,042
Expenditures	<u>1,182,599</u>	<u>610,343</u>	<u>525,000</u>
Net Activity	(491,106)	(22,979)	270,042
<b>Ending Fund Balance</b>	<b>124,970</b>	<b>101,991</b>	<b>372,033</b>
<b><u>Water and Sewer Fund</u></b>			
<b>Beginning Retained Earnings</b>	<b>34,468,128</b>	<b>39,620,383</b>	<b>39,976,996</b>
Revenues and Other Financing Sources	10,216,772	9,231,071	11,780,622
Expenses, Debt and Capital Outlay	<u>5,064,517</u>	<u>8,874,458</u>	<u>12,130,346</u>
Net Activity	5,152,255	356,613	(349,724)
<b>Ending Retained Earnings</b>	<b>39,620,383</b>	<b>39,976,996</b>	<b>39,627,272</b>
<b><u>Capital Improvement Fund</u></b>			
<b>Beginning Fund Balance</b>	<b>2,969,003</b>	<b>601,901</b>	<b>5,034,676</b>
Revenues	73,688	10,332,775	12,456,138
Expenditures	<u>2,440,790</u>	<u>5,900,000</u>	<u>10,200,000</u>
Net Activity	(2,367,102)	4,432,775	2,256,138
<b>Ending Fund Balance</b>	<b>601,901</b>	<b>5,034,676</b>	<b>7,290,814</b>
<b><u>Garbage Collection Fund</u></b>			
<b>Beginning Retained Earnings</b>	<b>154,473</b>	<b>194,932</b>	<b>209,162</b>
Revenues	1,237,590	1,377,021	1,523,518
Expenses	<u>1,197,131</u>	<u>1,362,791</u>	<u>1,507,928</u>
Net Activity	40,459	14,230	15,590
<b>Ending Retained Earnings</b>	<b>194,932</b>	<b>209,162</b>	<b>224,752</b>
<b><u>Special Census Fund</u></b>			
<b>Beginning Fund Balance</b>	<b>0</b>	<b>501,978</b>	<b>522,727</b>
Revenues	501,978	20,749	12,500
Expenditures	<u>0</u>	<u>0</u>	<u>500,000</u>
Net Activity	501,978	20,749	(487,500)
<b>Ending Fund Balance</b>	<b>501,978</b>	<b>522,727</b>	<b>35,227</b>
<b><u>Debt Service Fund</u></b>			
<b>Beginning Fund Balance</b>	<b>19,091</b>	<b>621,446</b>	<b>1,298,670</b>
Revenues	1,146,996	1,182,299	621,933
Expenses	<u>544,641</u>	<u>505,075</u>	<u>1,057,428</u>
Net Activity	602,355	677,224	(435,495)
<b>Ending Fund Balance</b>	<b>621,446</b>	<b>1,298,670</b>	<b>863,175</b>
<b><u>Police Pension Fund</u></b>			
<b>Beginning Net Assets</b>	<b>4,678,850</b>	<b>5,459,950</b>	<b>6,470,102</b>
Additions	951,308	1,195,600	1,376,446
Deductions	<u>170,208</u>	<u>185,448</u>	<u>191,786</u>
Net Activity	781,100	1,010,152	1,184,660
<b>Ending Net Assets</b>	<b>5,459,950</b>	<b>6,470,102</b>	<b>7,654,762</b>

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**CAPITAL EXPENDITURES BY FUND AND DEPARTMENT**

**General Fund Departments**

General Corporate

Computer Replacements	38,000	
Printer Replacements	<u>6,000</u>	44,000

Building and Zoning

Laptops - Toughbooks (\$2,840 x 2)	<u>5,680</u>	5,680
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Community Development

Large Document Scanner	<u>20,000</u>	20,000
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Road and Bridge

Traffic Control Sign Board	<u>15,000</u>	15,000
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Police

Space Needs Analysis	50,000	
Squad Cars (2) Fully Equipped (Replacements)	91,504	
Deputy Chief Car	26,500	
Squad Car (1) Fully Equipped (Additional)	49,352	
Traffic Light Pre-emption Device	21,215	
Smart Trailer	<u>21,000</u>	259,571

<b>Total General Fund</b>		<b>344,251</b>
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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**CAPITAL EXPENDITURES BY FUND AND DEPARTMENT**

**Enterprise Funds**

Water and Sewer

New Village Hall	3,500,000	
Single Axle Dump Trucks	226,000	
Pick-up Truck - 2WD	31,000	
Small Pick-Up Trucks	25,000	
New Driveway Well #3	10,000	
One Ton Dump Truck w/Plow	65,000	
PW Facility Storage Outbuilding	250,000	
Painting of Fox Chase Water Tower	167,000	
12" Watermain - Rt 34 Arbor to Orchard	435,000	
Manhole Relining Program	10,000	
7-A Kits Wellhouses	<u>21,000</u>	
		4,740,000

**Total Enterprise Funds** **4,740,000**

**Capital Projects Fund**

Capital Improvement Fund

New Village Hall	6,000,000	
Bridge Scour Improvement	200,000	
Douglas Road Construction	<u>4,000,000</u>	
		10,200,000

**Total Capital Projects Fund** **10,200,000**

**Motor Fuel Tax Fund**

Roadway Program	<u>325,000</u>	
		325,000

**Total Motor Fuel Tax Fund** **325,000**

**TOTAL VILLAGE CAPITAL EXPENDITURES** **\$15,609,251**

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**NEW STAFFING EXPENDITURES BY FUND AND DEPARTMENT**

**General Fund Departments**

General Corporate

Human Resource Generalist	<u>80,425</u>	80,425
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Building and Zoning

Summer Intern (Property Maintenance)	<u>4,306</u>	4,306
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Community Development

Summer Intern	<u>3,768</u>	3,768
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Road and Bridge

Technician/Special Events	59,697	
Technician I	<u>59,697</u>	
Sub-total	119,394	
Road and Bridge Allocations: General Fund (30%)	35,818	
Water and Sewer Fund (70%)	<u>83,576</u>	
		35,818

Police

Deputy Chief (11/1/07)	57,956	
Records Supervisor	77,790	
Police Officer (9-18-07)	49,664	
Cadet	19,154	
Police Officer (12-24-07)	<u>28,712</u>	
		<u>233,275</u>

**Total General Fund**

**357,593**

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**NEW STAFFING EXPENDITURES BY FUND AND DEPARTMENT**

**Enterprise Funds**

Water and Sewer

Personnel Totals from Road and Bridge	<u>83,576</u>	83,576
<b>Total Enterprise Funds</b>		<b>83,576</b>
<b>Total Village Staffing Expenditures</b>		<b>441,168</b>

For presentation purposes, the figures above include insurance and retirement (FICA & IMRF) costs.

Health insurance costs are \$17,815 for family annually; Dental is \$1,353 annually for family coverage; Vision is \$303 annually. Life Insurance is \$55 annually. For this summary, all positions are presented at the highest insurance levels, which is \$19,526 annually.

FICA and Medicare costs are 7.65% of the employees annual salary.

IMRF costs are as follows: 9.32% of the employees salary from 4-1-07 to 12-31-07; for the months of 1-1-08 to 4-30-08, the rate is estimated at 9.75%.

\* Note - Sworn Police personnel do not participate in IMRF. Their pension cost is calculated at 15.67% of salaries which is the average cost for the Village over the last three fiscal years.

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**OPERATING BUDGET IMPACT  
OF CAPITAL AND STAFFING IMPROVEMENTS**

For every capital purchase, no matter how small, there is a corresponding operational budget impact. After the initial capital expenditure for the asset, there are expenditures that must be incurred to keep that asset operational. The Village of Oswego faces major capital purchases almost every fiscal year. At the rate the Village is growing, the Village's water system has ever increasing demands placed upon it. This has forced the Village to add to or upgrade the system four out of the last five years, add four new wells over the last fourteen years and three water towers in the last fourteen years.

However, the water system has not been the only source of significant capital outlay in the recent past. The Town Center Renovation project has replaced all the major roadway infrastructure in the Town Center area over FY's 2005/2006 and 2006/2007. The Police Department has added and/or replaced twenty-five vehicles over the last six years.

All the while these capital purchases are made, the Village has to afford its new staffing requests, as well. Over the last three fiscal years, the Villages staff size has increase from 112 total employees to 134. This is an increase of 22 employees or 7.33 per year, on average. 14 of the 22 staffing increases are in the Police Department, where the increasing need for patrol officers is warranted due to the Village's expanding borders.

All the while the Village is making the purchases of capital items and adding new staff, operational costs must be afforded, as well. Planning the operational costs and capital and staffing expenditures for all Village departments has been the majority of the budgeting process for the Village over the previous five budget cycles.

The impact to the operating budget from the various capital and staffing improvements is different for several reasons. Generally, computer upgrades and printer upgrades aid in a staff member becoming more productive so this will allow more work to get done. However, the flip side of this is that a person tends to consume materials - paper, ink, other office supplies - during the course of production so the additional productivity that improved technology offers is usually offset by the increased consumption of supplies.

The purchase of new vehicles to replace older, worn out vehicles, is an easy example of spending resources to save money. Vehicles inherently break down and will need to be replaced at some point in time. Usually, there is a rather well known time frame for any particular type of vehicle to last. Any use of that vehicle passed that time

is viewed as being not cost-efficient because the gasoline costs and the maintenance and repair costs become too high to justify keeping the vehicle. Also, in the case of police squad cars where response time to an emergency could mean the difference between life and death, taking a chance on a very old, unreliable vehicle is not in the Village's best interests. A newer vehicle will use less gas and require less maintenance, all other things being equal. This means lower costs for the Village.

The addition of new staff members to the Village's work force has a cost impact that would generally be viewed as only negative. The salaries, benefits and retirement costs associated with new hires (detailed on pp. 53-54) are additional costs. However, the increased service levels and response times the Village is then able to provide to its residents is the return on the investment made in hiring new staff. Providing of services is, after all, the main purpose of the Village of Oswego.

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village conform to generally accepted accounting principles (GAAP) as applicable to governments. The policies are listed below.

In addition, a presentation of cash flow and net current assets is provided for proprietary funds. The following is a summary of the more significant policies.

**BASIS OF ACCOUNTING**

The Basis of Accounting used by the Village is the same basis used in the annual Village audit. The Governmental Funds (see definition in the Glossary) reflect the current financial resources measurement focus and the modified accrual basis of accounting, which means that revenue is recognized, or recorded, when it is measurable and available. Measurable and available means that as long as the revenues are collectible within the current period, or soon enough afterwards (normally two months), they can be used to pay the liabilities of the current period. Expenditures are recognized (recorded) when the liability is incurred.

Proprietary and Fiduciary Funds (see definitions in the Glossary) reflect the economic resources measurement focus and the accrual basis of accounting, which means revenue is recognized (recorded) when earned and expenses are recognized when incurred.

**BASIS OF BUDGETING**

The Village of Oswego does not distinguish between the Basis of Budgeting and Basis of Accounting. The principles set forth as the Basis of Accounting are strictly observed in the budgeting process. In other words, the Basis of Budgeting is the same as the Basis of Accounting. The Village of Oswego continually strives for a balanced budget; in other words, revenues for the fiscal year will either be equal to or greater than expenditures for the fiscal year.

There is a clarification that must be made as to how the budget is presented for the Water and Sewer Fund. At first glance, it appears that debt principal payments and capital purchases are being included in the total budgeted expenses of the Fund. This is not the case. These two items are shown for informational purposes in the budget but are not included as part of the total expense budget of the Fund. There are footnotes in these two sections of the budget detail that clearly state this presentation to the reader. The only capital related expense that is included in the total budget of the Fund is depreciation.

## **FUND ACCOUNTING**

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity (a fund) that has a self-balancing set of accounts used to account for resources that are segregated for specific purposes in accordance with special regulations, restrictions or limitations. Collectively, these funds make up the financial picture of the Village of Oswego as presented in this budget. There are three categories of funds: Governmental, Proprietary and Fiduciary.

### **Governmental Fund Types:**

#### **General Fund (This is a major fund):**

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The five major departments of the General Fund are:

- Corporate
- Building and Zoning
- Community Development
- Road and Bridge
- Police

#### **Special Revenue Funds:**

Special Revenue Funds are used to account for the revenue derived from specific sources. These resources are utilized to finance expenditures allowable under either ordinance or State law. The Village has two special revenue funds, which are:

- Motor Fuel Tax Fund
- Special Census Fund

#### **Debt Service Funds:**

Debt Service Funds are used to account for the resources and payment of principal and interest on general long-term debt. For budgeting purposes, debt service is included in the related fund for Proprietary Funds and in the Debt Service Fund for all general debt of the Village.

#### **Capital Projects Fund (This is a major fund):**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or projects, other than those financed by Proprietary and/or Trust Funds.

- Capital Improvement Fund

**Proprietary Fund Type:**

Enterprise Funds

Enterprise Funds are established to account for the financing of self-supporting activities of the Village, which render services of a commercial nature on a user-charge basis to the general public. The Village has two enterprise funds, which are:

- Water and Sewer Fund (This is a major fund)
- Garbage Collection Fund (This is a major fund)

**Fiduciary Fund Type:**

Trust and Agency Funds:

Trust and Agency Funds are established for the purpose of accounting for money and property held by the trustee, custodian or agent. The Village's Trust Fund is:

- Police Pension Fund



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**CORPORATE**

**DEPARTMENT FUNCTION:**

The Corporate section of the General Fund contains three areas that function together as the General Administration of all Village activity: Administration, Finance, Human Resources and the Village Clerk's Office. Following is a position summary for the Corporate department for the last two fiscal years and the current fiscal year for budgeted, not filled, positions. Then, there is an overview of each area in Corporate.

<b>Position</b>	<b>Fiscal Year 05/06</b>	<b>Fiscal Year 06/07</b>	<b>Fiscal Year 07/08</b>
Village Administrator	1.0	1.0	1.0
Finance Director	1.0	1.0	1.0
Asst. Finance Director	0.0	1.0	1.0
Village Clerk	1.0	1.0	1.0
Office Manager	1.0	1.0	1.0
Human Resources Coordinator	1.0	1.0	1.0
Staff Accountant	2.0	1.0	1.0
Community Relations Coordinator	1.0	1.0	1.0
Asst. to the Village Clerk	1.0	1.0	1.0
H.R. Generalist	0.0	0.0	1.0
Executive Assistant	1.0	1.0	1.0
Administrative Assistant	1.0	2.0	2.0
Receptionist	1.0	1.0	1.0
IT Coordinator	1.0	1.0	0.0
Administrative Asst. (Comm. Relations)	0.0	0.5	0.5
<b>TOTALS</b>	<b>13.0</b>	<b>14.5</b>	<b>14.5</b>

**Administration**

Administration is responsible for overseeing the activities of all Village Departments. Included in Administration is the Village Board. The Village Board has the ultimate responsibility for the actions of the Village and, as such, possesses the authority to make changes to all personnel positions, Village ordinances and resolutions. The Village

Administrator is the head of all day-to-day administrative functions of the Village and is appointed by the Village President with the advice and consent of the Village Board for a definite term. The Administrator shall execute all contracts for goods, materials, services, construction or improvements approved by the Board.

The Village Administrator supervises all departments of the Village, except for Police and the Village Clerk, both of which report directly to the Village President. The Administrator is responsible for the efficient administration of the Village according to the scope of the position as set forth by the Illinois Compiled Statutes and ordinances of the Village of Oswego.

Primary responsibility for the implementation of the Village Board's goals rests with Administration. Although many of the objectives appear in various other departments and are budgeted in those departments, coordination of the activities takes place through the Village Administrator.

The Human Resource Director is responsible for the personnel management of the Village. This position is new to the Village for Fiscal Year 2005/2006. The Human Resource Director will maintain a centralized personnel program that assists departments with recruiting, safety training, motivating and supervising the Village work force while complying with local, state and federal laws. This position coordinates the Village's Health, risk and liability insurance programs and is the Authorized Agent for the Illinois Municipal Retirement Fund (IMRF), which is the retirement system for the non-police employees within the Village.

The Community Relations Coordinator serves as planner and coordinator of a variety of community events, publications, promotional materials, press releases and other written communications for the Village. This position was new to the Village for Fiscal Year 2005/2006.

### **2006/2007 Administrative Objectives: Status**

1. Begin construction of a new Village Hall.

*Construction has started on the facility.*

2. Draft a new vehicle replacement policy.

*This objective will continue into FY 2007, 2008.*

3. Review and update the Personnel Policy manual.

*This objective has started and will continue into FY 2007, 2008.*

4. Redevelopment of the old Alexander Lumber site.

*This objective will carry over into FY 2007-2008.*

5. Continue the staff development and training program.

*This objective has started and will be ongoing.*

6. Resolve the many outstanding issues with developers and businesses.

*Some of the issues have been resolved and others will continue into FY 2007/2008.*

7. Initiate a Strategic Planning process for the Village.

*This objective will be initiated in FY 2007-2008.*

8. Increase the community outreach and involvement process.

*This objective is ongoing and will continue into FY 2007/2008.*

9. Initiate a Performance Measurement system for the Village.

*This objective will continue into FY 2007-2008.*

#### **2007/2008 Administrative Objectives**

1. Complete the construction of the new Village Hall and move all staff into the facility.
2. Initiate a Performance Measurement system for the Village.
3. Initiate a Strategic Planning session for the Board and staff.
4. Redevelopment of the old Alexander Lumber site.
5. Sell the current Village Hall property for redevelopment.
6. Continue the Personnel Policy update.
7. Continue staff development and training.
8. Continue resolving old outstanding issues.

## **Finance Department Overview**

The Finance Department administers and/or assists with all financial operations of the Village. The Department performs two distinct functions: day-to-day operations and other financial reporting/operating functions. Day-to-day operations include processing payroll and accounts payable, recording cash receipts in the general ledger system, reconciling bank and broker statements, monitoring the Motor Fuel Tax (MFT) financial status and reconciling developer escrow accounts. Financial reporting and operating functions include scheduling and oversight of the annual Village audit, the compilation and coordination of the annual Village budget, preparation and publication of the annual Treasurer's Report, grant reporting, fixed asset tracking and production of all calendar year tax documentation, including W-2's and 1099's. The Finance Department provides the oversight and administration of economic development incentive agreements within the Village.

The Finance Director is appointed as Village Treasurer and Budget Officer and is responsible for investing, monitoring and insuring the safety of Village funds as well as preparing the annual Village budget. The Assistant Finance Director and the Staff Accountant aid the Finance Director in the discharge of the operations of the Finance Department including the processing of most day-to-day functions.

Information Technology (IT) oversight is also a responsibility of the Finance Director. IT oversight includes all computer hardware and software applications for all Village Departments. The IT Coordinator position was eliminated in FY 2006/2007 and these responsibilities are now done by a contractually hired firm and it coordinates the day-to-day oversight of all Village computer systems and networks, hardware and software. Staff training on various software applications is provided every-other-year by a different outside consulting company.

## **2006/2007 Finance Department Objectives: Status**

1. Secure a new auditing firm for the Village of Oswego.

*This has been successfully completed. Sikich LLP from Aurora, Illinois is the current auditing firm for the Village.*

2. Develop a vehicle replacement policy to determine if Village vehicles can be used longer which, in turn, would delay the purchase of replacement vehicles.

*This has been completed and is awaiting adoption by the Village Board.*

3. Finalize Home Rule report and deliver to the Village Board.

*This has been completed and delivered to the Village Board.*

4. Along with the Finance Committee, revise the most recently completed transition fee study in order to simplify the calculation of a developer paid transition fee.

*At the time of the creation of this report, the Village Board had just approved a bid for these services. The report will be completed in mid-to-late 2007.*

5. Survey surrounding and like-sized communities to benchmark the Village's fees to those of its neighbors. This is derived directly from a Village Board goal.

*This has been done for the proposed water rate increase. This is an ongoing objective.*

6. The Finance Director shall develop and mentor the new Assistant Finance Director position.

*This has been started and is an ongoing objective.*

7. Invest in departmental training on recent GASB pronouncements.

*The Finance Department is small and can only allow staff to attend a limited number of training opportunities throughout the year. However, this will be an ongoing objective.*

8. Secure the bookkeeping for the Police Pension Fund which is currently outsourced to an independent CPA firm.

*This has been accomplished and is proceeding smoothly.*

9. Invest bond proceeds for the Village Hall and Phase II of the Town Center Renovation project in the highest possible yielding bank account or security in order to maximize return while maintaining liquidity.

*Bond proceeds have been placed with the Illinois Funds bank in Springfield, Illinois. These money market accounts allow ease of liquidity as well as paying the highest possible interest rates while being fully insured.*

10. Secure an Information Technology (IT) consultant in order to maximize the capabilities of the Village's computer network.

*This has been accomplished. Also, the IT Coordinator position for the Village has been eliminated due to the relationship with an outside firm provided better service to the Village.*

11. Assist in the planning of the new Village Hall.

*This has been accomplished and will continue through the completion of the project.*

12. Continue to process payroll and accounts payable in an accurate and timely manner.

*This has been accomplished and is an ongoing objective.*

13. Continue to analyze Village fiscal policies.

*This has been accomplished and is an ongoing objective.*

### **2007/2008 Finance Department Objectives**

1. Determine the borrowing needs for the Water and Sewer Fund for the new Village Hall project.
2. Determine the borrowing needs for the Village for the Douglas Road project.
3. Evaluate funding options for Wolf Road, the Public Works facility expansion and the construction of a new Police facility.
4. Complete transfer of oversight of day-to-day operations of the Finance department to the Assistant Finance Director.
5. Prepare financially and managerially for the move to the new Village Hall.
6. Revamp the accounts payable system along with creation of new forms.
7. Invest in departmental training on recent GASB pronouncements.
8. Survey surrounding and like-sized communities to benchmark the Village's fees to those of its neighbors. This is derived directly from a Village Board goal.
9. Ensure that either a special or full census is completed in 2007 in order for the Village to reach Home Rule authority as well as maximize its per capita revenues.
10. Investigate and/or institute the Board goals that will be overseen by the Finance department.

<u>Performance Measures</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007 (est.)</u>
Payroll checks processed:	3,086	3,452	3,822
Accounts Payable checks processed:	3,911	4,276	2,943

**Village Clerk's Office**

The Village Clerk's Office is the official keeper of the records for all Village ordinances, resolutions, minutes of Board meetings and all other legal documentation in regards to the actions of the Village of Oswego. The Village Clerk is appointed by the Village President with the advice and consent of the Board of Trustees.

The Village Clerk is responsible for assembling all information presented to the Village Board of Trustees at Board and Committee of the Whole meetings. As such, the Clerk coordinates with all Village Departments in order to receive and copy all pertinent information that will be distributed, reviewed and voted on at the Village Board meetings.

Records retention, storage and destruction are functions of the Village Clerk. Illinois Statutes require that most information generated or received by a City, Town or Village be stored for a specified amount of time or indefinitely. The Village Clerk maintains the inventory of such records and coordinates their destruction, if necessary.

The Village Clerk's Office is separate from the Corporate Department in terms of oversight. The Village Clerk reports directly to the Village President, not to the Village Administrator.

**FY 2006/2007 Village Clerk's Office Objectives: Status**

1. Appoint 2<sup>nd</sup> Deputy Clerk and have this person attend Clerk Seminars.  
*This position has been appointed but the Deputy Clerk has not been able to attend any seminars.*
2. Have the Deputy Clerk become a Notary Public.  
*This has been accomplished.*
3. Have the Deputy Clerk become a Deputy Registrar for Voter Registration.  
*The Deputy Clerk became a Deputy Registrar in January, 2007.*

4. Complete revisions to the Municipal Code and put it on-line.

*Sterling Codifiers has been contacted and they are beginning the process of preparing the code to be put on-line. This should be accomplished by the end of FY 06-07.*

5. Implement a Document Management System.

*Funds budgeted for this were used to purchase a new server. This will again be placed in the Budget for FY 07-08. The Village Clerk hopes to have everything in place so that after budget approval, the system will be able to be implemented.*

6. Put the minutes on the Village Web Site.

*Already accomplished; the approved Village Board minutes for all of 2005, 2006 and the approved minutes to date are on the Village web site.*

7. Paperless agenda for Board meetings.

*At the beginning of 2007, the Village started preparing the agenda packets electronically for some. It appears to be working out very well. Staff will continue to improve the process; the Document Management System will help with this. When the move to the new Village Hall is complete, hopefully the Village will have a paperless agenda.*

8. Set a system in place for document destruction.

*On February 21, 2007 the Department Heads and some staff met with the Local Records Commission for a brief presentation of what records need to be kept, how long they need to be kept and the process for destruction. The Local Records Commission will be contacting Staff to set up a time to review all of the Village's records and create a new Disposal Request. Staff will then proceed with the destruction of the approved documents before the move to the new Village Hall. This process will continue during FY 07-08.*

9. Complete excel list of all ordinances going back from 2000.

*This is an ongoing project. Thus far, The Village has the list completed through the 1960's.*

10. Achieve a better understanding of the IDOT projects and procedures.

*These files have been restructured to be more easily accessed and understood.*



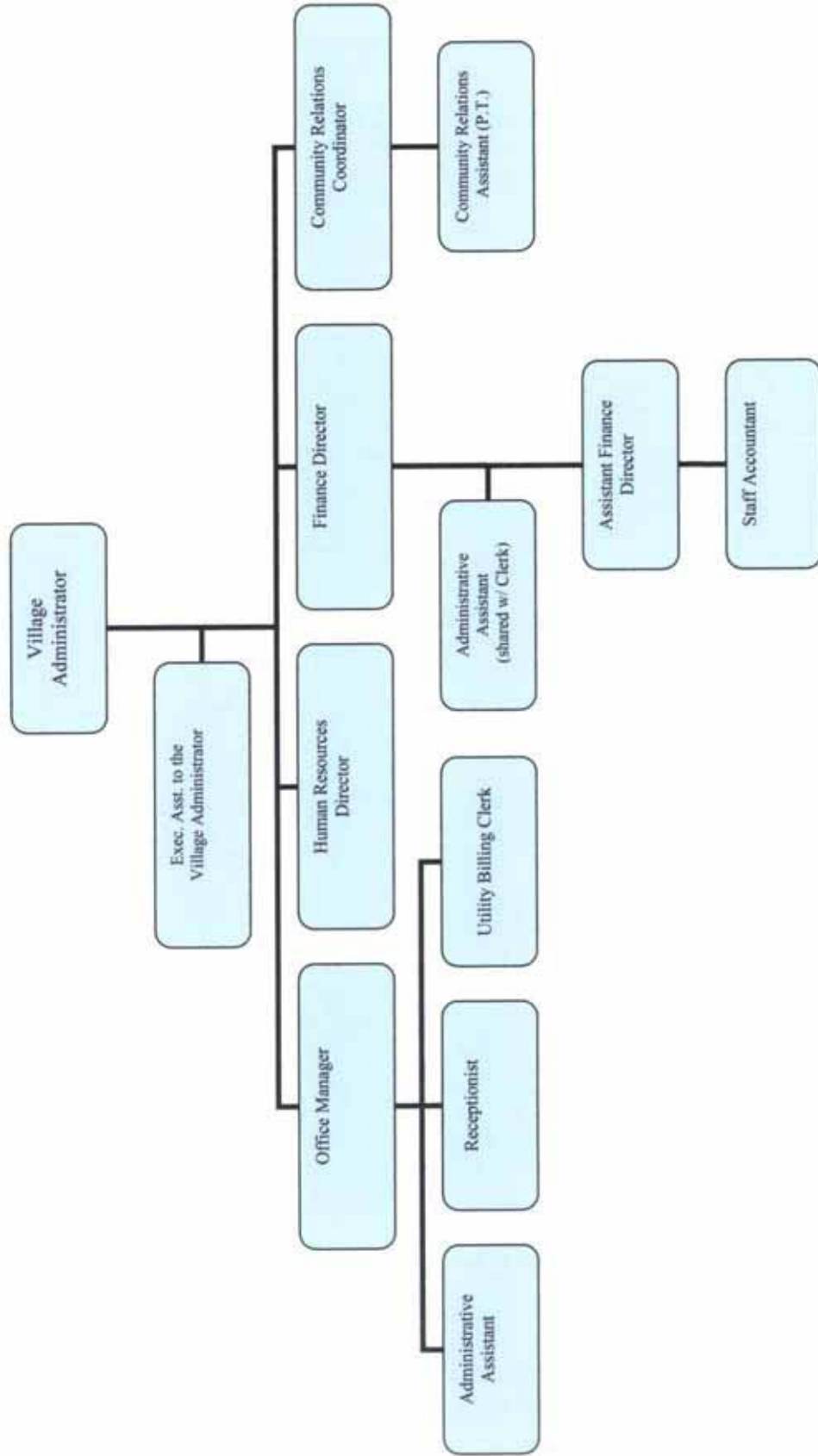
11. Make sure SSA files are complete and all SSA's are accounted for.

*All SSA files have been reviewed to make sure that they are complete.*

**FY 2007/2008 Village Clerk's Office Objectives**

1. Implement Document Management System.
2. Establish a system for Records Management throughout the Village departments.
3. Review Village records with the Local Records Commission to determine which records may be destroyed.
4. Assist the various departments to prepare Village records and files for the move to the new Village Hall.
5. Continue to cross train staff so that office runs smoothly even when there are absences in the department.
6. Consider the change of the Clerk's part-time assistant to full-time.
7. Assist the Board in the achievement of their goals.

# CORPORATE ORGANIZATIONAL CHART



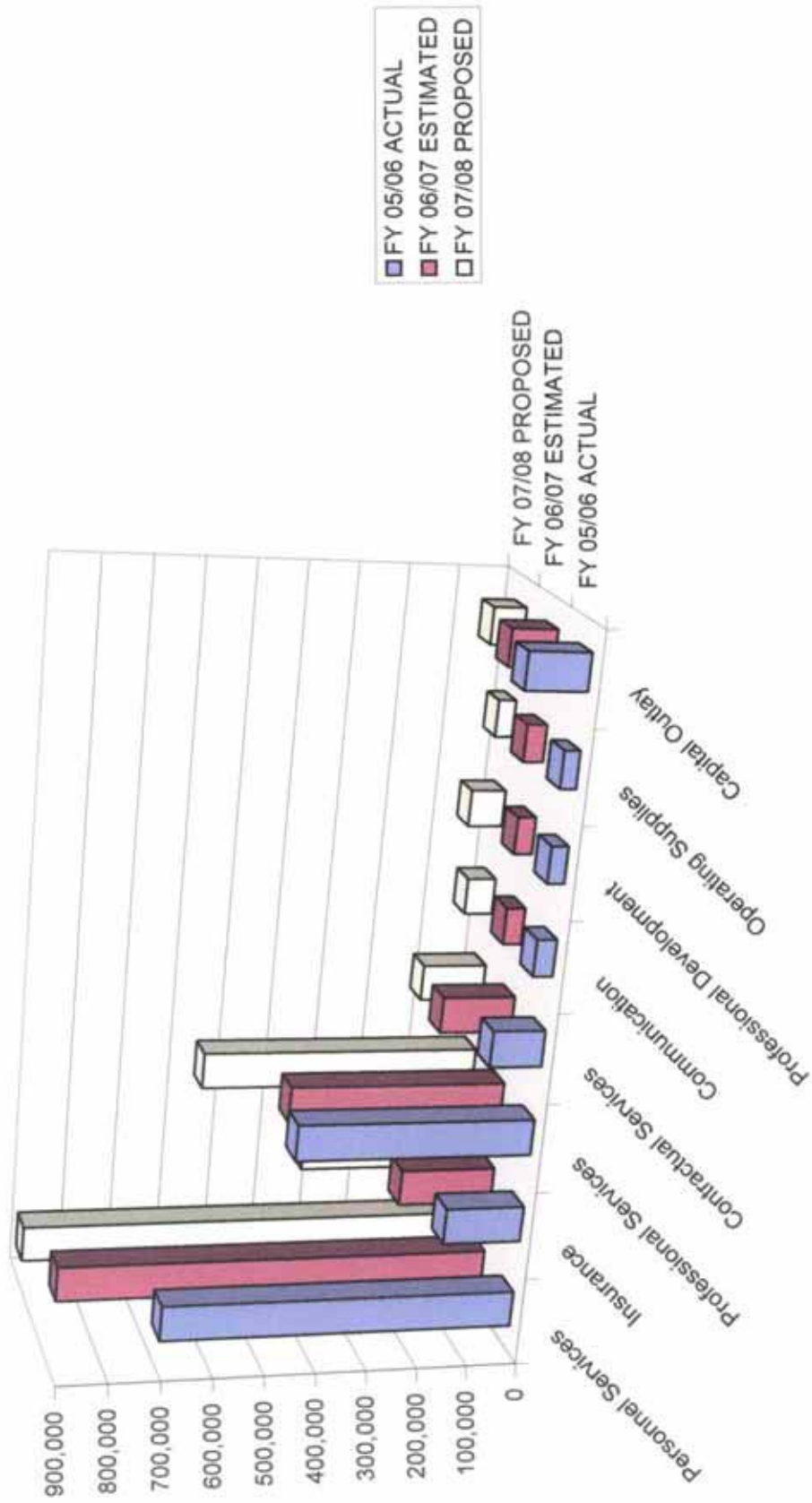
**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**General Fund**

**GENERAL CORPORATE SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	671,561	843,643	841,731	861,440	2%
Salaries Part-Time	1,817	0	0	14,479	100%
Overtime	48	1,000	500	1,000	0%
Stipends	<u>21,513</u>	<u>24,000</u>	<u>20,000</u>	<u>22,000</u>	-8%
<b>Total Personnel Services</b>	<b>694,939</b>	<b>868,643</b>	<b>862,231</b>	<b>898,919</b>	<b>3%</b>
<b>Insurance</b>	155,187	207,088	190,260	341,008	65%
<b>Professional Services</b>	461,609	410,930	429,390	559,250	36%
<b>Contractual Services</b>	102,768	145,409	144,000	128,219	-12%
<b>Communication</b>	38,491	37,250	37,000	56,500	52%
<b>Professional Development</b>	32,524	39,841	36,200	68,861	73%
<b>Operating Supplies</b>	30,588	46,987	39,150	34,735	-26%
<b>Capital Outlay</b>	<u>120,088</u>	<u>101,395</u>	<u>90,000</u>	<u>65,300</u>	-36%
<b>TOTAL EXPENDITURES</b>	<b>1,636,194</b>	<b>1,857,543</b>	<b>1,828,231</b>	<b>2,152,792</b>	<b>16%</b>

Village of Oswego  
Corporate Department Operating Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**General Fund**

**CORPORATE**

**01-01**

**Personnel Services**

50-6210	Salaries, Full-Time	851,940
50-6222	Salaries, Part-Time	14,479
50-6230	Overtime	1,000
50-6245	Salaries, Elected Officials	9,500
50-6250	Meeting Stipend	<u>22,000</u>
	<b>Total Personnel Services</b>	<b>898,919</b>

**Insurance and Benefits**

51-6310	FICA, Village Share	64,740
51-6315	IMRF, Village Share	81,992
51-6330	Health Insurance	177,417
51-6335	Dental Insurance	13,466
51-6336	Vision Insurance	<u>3,393</u>
	<b>Total Insurance and Benefits</b>	<b>341,008</b>

**Professional Services**

52-6405	Auditing Expense	22,000
52-6470	Economic Development	85,000
	Oswego Economic Development Corporation	
	Total Economic Development	
52-6480	Engineering Service	30,000
52-6520	Legal Service	150,000
	Village Corporation Counsel	
52-6522	IT Services	120,000
	Contractual IT Administration	

52-6525	Downtown Facade Program		25,000
52-6530	Miscellaneous Professional Service		
	Distinguished Budget Presentation(GFOA)	450	
	CAFR Audit Award(GFOA)	500	
	Facilitator for Strategic Planning	2,500	
	Employee Assistance Program (EAP)	2,400	
	Computer Training	12,000	
	Miscellaneous Professional Services	<u>5,000</u>	
	Total Miscellaneous Professional Service		22,850
52-6537	Web Site		13,000
52-6750	Decorations		6,000
	Various holiday decorations for downtown		
52-6760	Human Resources Professional Services		
	Employee Appreciation Dinner	7,000	
	Flex Spending	1,500	
	Wellness Program	2,500	
	Length of Service Awards	<u>2,500</u>	
	Total Human Resources Professional Services		13,500
52-6790	Community Relations Professional Services		
	Fireworks Fun Fling	1,000	
	Wine on the Fox	5,000	
	Dragstrip Days	1,000	
	Garden Walk	500	
	Citizen Committee for Women	2,000	
	PrairieFest	2,000	
	Senior Committee	2,000	
	Youth Committee	1,000	
	Art Fair	5,000	
	Job Fair	1,000	
	Village Pride	1,000	
	Christmas Walk	2,500	
	Community Relations	3,500	
	-ground breakings, condolences, citizen awareness		
	175th Anniversary Celebration	10,000	
	Movies in the Park	<u>2,000</u>	
	Total Community Relations		39,500
52-6840	PACE Services		<u>32,400</u>
	<b>Total Professional Services</b>		<b>559,250</b>

### **Contractual Services**

53-6325	Unemployment Insurance		12,000
53-6420	Cleaning Service		10,000
	Cleaning Services for the New Village Hall		
53-6500	General Insurance		28,673
	I.M.I., Insurance, Life Insurance, Bonds		
53-6605	Property Tax Rebate		1,500
	Orchard Road Corridor		
53-6807	Newsletter Delivery		43,000
	6 Newsletters; Calendar		
53-7310	Maintenance, Building		6,000
	Various Maintenance and Upkeep on Village Hall		
53-7315	Maintenance, Equipment		
	Maint. Contract on Village Computer Software	9,000	
	Maint. For Server Software	2,136	
	Maint. Contract on Village Hall Telephone System	3,500	
	Maint. Contracts on Laserfiche	1,910	
	Maint. Contracts on Office Equipment	<u>10,500</u>	
	Total Maintenance, Equipment		27,046
	<b>Total Contractual Services</b>		<b>128,219</b>

### **Communication**

54-6505	Codification Expense		5,500
	Sterling Codifiers - Update of Code Books		
54-6550	Printing Expense		4,500
	Various Forms and Stationary		
54-6715	Advertising, Bids and Records		2,500
	Legally Required Village Postings; Job Advertising		
54-6720	HR Advertising		2,000
	Advertising for Open Village Positions		
54-6725	Community Relations Advertising		1,000

54-6765	Postage and Freight		7,000
54-6785	Telephone Expense		<u>34,000</u>
	Village Hall Telephone Service: Nextel Service		
	<b>Total Communication</b>		<b>56,500</b>

### **Professional Development**

55-6566	Travel and Training		
	Village Administrator - ICMA, Metro Managers	5,000	
	Finance Director - State and National Conferences	2,000	
	Village Clerk - Regional Clerk's Institute	2,500	
	Human Resources	4,350	
	ICSC Conference	3,775	
	Tuition Reimbursements	5,000	
	Mileage Reimbursements	2,500	
	IML Conference	7,500	
	HR Village-wide Training	15,000	
	Various Training Seminars	<u>3,000</u>	
	Total Travel and Training		50,625
55-6567	Meeting Expense		
	Supplies for Board and Committee Meetings	1,500	
	Food for Board and Committee Meetings	<u>1,200</u>	
	Total Meeting Expense		2,700
55-6730	Dues		
	International City Managers Association(ICMA)	600	
	Illinois City Managers Association (ILCMA)	1,116	
	Metro Managers	100	
	Conservation Foundation	100	
	HR Dues	820	
	Government Finance Officers Association	500	
	Illinois Government Finance Officers Association	350	
	Illinois Municipal Treasurers Association	250	
	Dukane Valley	900	
	Metro West Council of Governments	7,000	
	Illinois Municipal League	1,500	
	Municipal Clerks of Illinois	300	
	Oswego Chamber of Commerce	500	
	Public Salary	500	
	Miscellaneous	<u>1,000</u>	
	Total Dues		<u>15,536</u>
	<b>Total Professional Development</b>		<b>68,861</b>



## **Operating Supplies**

56-6720	Books and Publications		2,650
56-6740	Office Supplies		
	Minute Books	900	
	Fax, Copier and Computer Paper	5,000	
	File Cabinets	3,500	
	Printer Cartridges and Copier Toner	1,700	
	Village Clerk Filing Supplies	2,500	
	Filing Supplies	1,500	
	Budget Production Materials	1,000	
	Various Office Supplies	<u>3,500</u>	
	Total Office Supplies		19,600
56-6750	Computer Supplies		
	Novell Software	4,235	
	Consumable Tech Supplies	<u>5,000</u>	
	Total Computer Supplies		9,235
56-6806	Miscellaneous		750
	Bottled water for Village Hall		
56-7885	Furniture		<u>2,500</u>
	Office Chairs and Desks: Miscellaneous		
	<b>Total Operating Supplies</b>		<b>34,735</b>

## **Capital Outlay**

57-7822	Computer Hardware		
	Desktop Scanners for LaserFiche	2,100	
	Computer Replacements, Laptops & Printers	44,000	
	Backup System - Exec 9.2	<u>2,100</u>	
	Total Computer Hardware		48,200
57-7842	Equipment		
	LaserFiche	12,000	
	Portable Staging	<u>5,100</u>	
			17,100
	<b>Total Capital Outlay</b>		<b>65,300</b>

**TOTAL CORPORATE** **2,152,792**

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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**BUILDING AND ZONING DEPARTMENT**

**DEPARTMENT FUNCTION:**

The function of the Building and Zoning Department is to protect healthy living conditions, to ensure building code compliance and to preserve the Village's existing housing/commercial stock through the administration and implementation of all adopted Village ordinance.

The Building and Zoning Department Mission Statement: The mission of the Building and Zoning Department is to protect the public health, safety and welfare and to safeguard that all buildings, structures, and their accessory uses and equipment are safe for use and occupancy in accordance with all applicable Village ordinances and State building codes.

The Building and Zoning Department Guiding Principals:

*SERVICE* - Quality, timeliness and cost efficiency of service with applicable solutions to the challenges that arise, is the number one priority. The citizens of the Village of Oswego are our customers and the reason for our existence.

*PROFESSIONALISM* - Our staff is the source of our strength, its competence, knowledge, and experience reflects on the Village's reputation and vitality.

*INTEGRITY* - The Building and Zoning Department must conduct itself in a manner that is socially responsible and gains recognition and respect for its functions and positive contributions to the Village of Oswego.

*RESOURCEFULNESS* - Pursue new ways to get the job done.

*INNOVATION* - Be open to innovative ways to address issues, provide solutions to difficult challenges, and promote the Department's Mission.

*TEAMWORK & INTERACTION* - Are essential to our success as individuals, and as a Department.

The Department staff consists of a Building and Zoning Administrator, four building inspectors, one full-time and one part-time code enforcement officers, one plumbing inspector and three full-time and one contracted front office personnel. The Department presides over three divisions: Inspectional Services, Administrative Services and Code Compliance.

The purpose of the Inspectional Services operation of the Department is to secure the expressed intent of the building code "to ensure public health and safety insofar as they are affected by building construction". The purpose is accomplished by performing two primary functions: plan review and field inspection. The purpose of plan review is to determine that the plans and specifications conform to the requirements of the building code. The purpose of field inspections is to determine that the construction conforms to the plans and specifications. Field inspection is not construction supervision, but is a review of the construction at various stages to verify that the job copy of the approved plans and specifications is followed.

The Code Compliance Division is responsible for ensuring compliance with those ordinance and portions of the Village of Oswego code dealing with non-criminal matter such as public nuisances, zoning violations, solid waste disposal violations, inoperable vehicles, weeds and signage. Code Compliance Division works to maintain a high-quality community environment in accordance with all relevant Village standards and to ensure cooperation and coordination between code enforcement and the public and to respond with a timely response to complaints and adequate follow-up to ensure complaint resolution.

The Administrative function of the Department is responsible for the development of processes and procedures to ensure the effective and convenient flow of work traffic pertaining to the Department's function. The front office staff does building permit entry, customer service, inspection scheduling, code enforcement coordination and contractor registration. The following is a positional summary for the Department for the last three fiscal years that shows the number of budgeted, not filled, positions.

<b>Position</b>	<b>Fiscal Year 05/06</b>	<b>Fiscal Year 06/07</b>	<b>Fiscal Year 07/08</b>
Building and Zoning Administrator	1.0	1.0	1.0
Chief Building Inspector	1.0	1.0	1.0
Senior Building Inspector	1.0	1.0	1.0
Inspector	2.0	2.0	2.0
Plumbing Inspector	0	1.0	1.0
Building and Zoning Assistant	3.0	3.0	3.0
Code Enforcement Officer	0.5	1.5	2.0
Administrative Assistant*	1.0	1.0	1.0
<b>TOTALS</b>	<b>9.5</b>	<b>11.5</b>	<b>12.0</b>

\*- This is a full-time equivalent. There are two, part-time Administrative Assistants in 06/07 along with a contracted B&Z Assistant for latter part of 06/07.

## **2006/2007 Building and Zoning Department Objectives: Status**

1. Convert our permits/construction documents. all paper documents to CD-Rom to increase productivity and reduce operating costs by saving valuable floor space, eliminating lost files and improving document retrieval.

*Pending with possible coordination with the utilization of the Village Clerk's 07/08 approved scanner equipment.*

2. Amend the Village's Residential Building Code to give our Building Inspectors the necessary enforcement tools to perform their duties effectively.

*Completed with amendments to the Building Code's Energy Section but also an ongoing project.*

3. Amend the Village budget to allow the purchase of density mobile file units to efficiently file permits, eliminate clutter, and improve permit retrieval time and double current filing capability.

*Completed.*

4. Amend the Property Maintenance Code fine schedule to give Code Compliance Inspectors the necessary enforcement tools to perform their duties effectively.

*Completed with Amendments to the Village Code's Property Maintenance penalty section.*

5. Provide administrative adjudication hearing system for the Inspectional Services and Code Compliance Divisions.

*Future endeavor with possible coordination with PD.*

6. Provide additional office space for our expanding Building and Zoning Department.

*Completed.*

7. Enhance building permit information on the website as necessary.

*Initiated but also an ongoing project.*

8. Develop inspectional services field procedure guide.

*Rough draft initiated but required B&Z Committee approval.*

9. Provide continued education through ICC seminars and certification testing.

*Completed and ongoing.*

10. Hire a Plumbing Inspector and additional Plan Reviewer to keep up with the demand of development.

*Plumbing Inspector hired. Plan Reviewer proposed for future budget.*

11. Provide pocket PC computers for inspectional staff to access while in the field.

*Pocket PC exchanged per budget amendment to 2 laptop Tough Books proposed for 07/08 budget.*

12. Encourage certification for the administrative office to enhance ISO ratings.

*Initiated with the completion of two Permit Coordinator certificates.*

13. Develop and implement homeowner education programs by designing handouts, brochures and writing articles for the Village newsletter.

*Completed but also ongoing project.*

14. Create a user friendly Code Enforcement web page that is linked by the Building Department web page through the Village of Oswego.

*Initiated but also ongoing project.*

15. Create Residential Property Maintenance checklist.

*Rough draft completed for B&Z Committee future approval.*

#### **2007/2008 Building and Zoning Department Objectives:**

1. Continue education through seminars and ICC certification testing.
2. Improve customer service through education and policy changes.
3. Complete Departmental policies and procedure guidelines.
4. Encourage Building and Zoning office assistants to join building trade associations to stay abreast of current and future permitting trends.

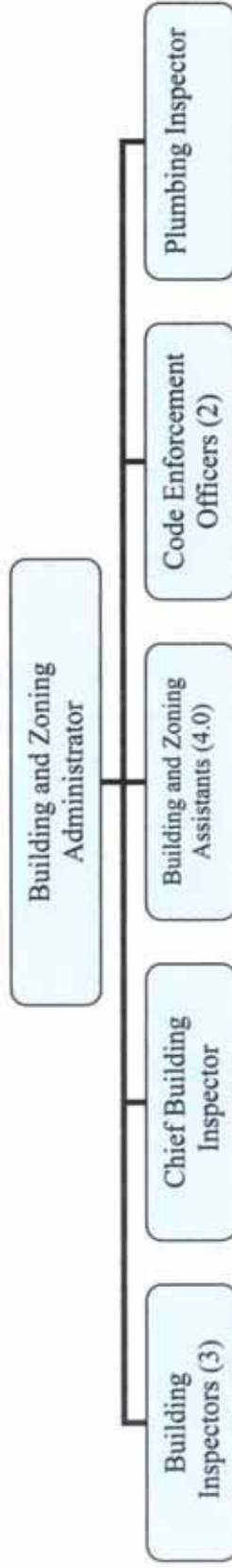
5. Research offering residents and contractors training classes for permit related projects. This project is proposed for the spring during Safety Awareness Week.
6. Initiate monthly scheduled court dates through possible administrative adjudication system with the Police Department.
7. Participate in International Code Council (ICC) Safety Awareness Week.
8. The Department needs to establish a quarterly job share experience program for Permit Coordinators and Field Inspectors.
9. Enhance building permit information on the website as necessary.
10. Encourage certification for the administrative office to enhance ISO ratings.
11. Develop and implement homeowner education programs by designing handouts, brochures and writing articles for the Village newsletter.
12. Create a user friendly Code Enforcement web page that is linked by the Building Department web page through the Village of Oswego.

**YEARLY PERMIT COUNT**  
**# permits (units)**

<b>Description</b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007(est.)</u></b>
Single Family Residence	613	372	400
Two Family Residence	44	6	6
Multi-Family Residence	287	224	200
Senior Housing – Single Family		61	56
Senior Housing – Duplex		32	29
Industrial	2	5	4
Commercial	17	23	32
Commercial/Industrial Build outs/Remodels	30	68	58
Residential Addition	18	21	18
Remodeling	64	47	40
Accessory Structures	1,152	967	950
Roofing	40	46	40
Misc. Improvements	176	199	180
Sign	102	108	98
Demolition	8	4	2



## BUILDING AND ZONING ORGANIZATIONAL CHART



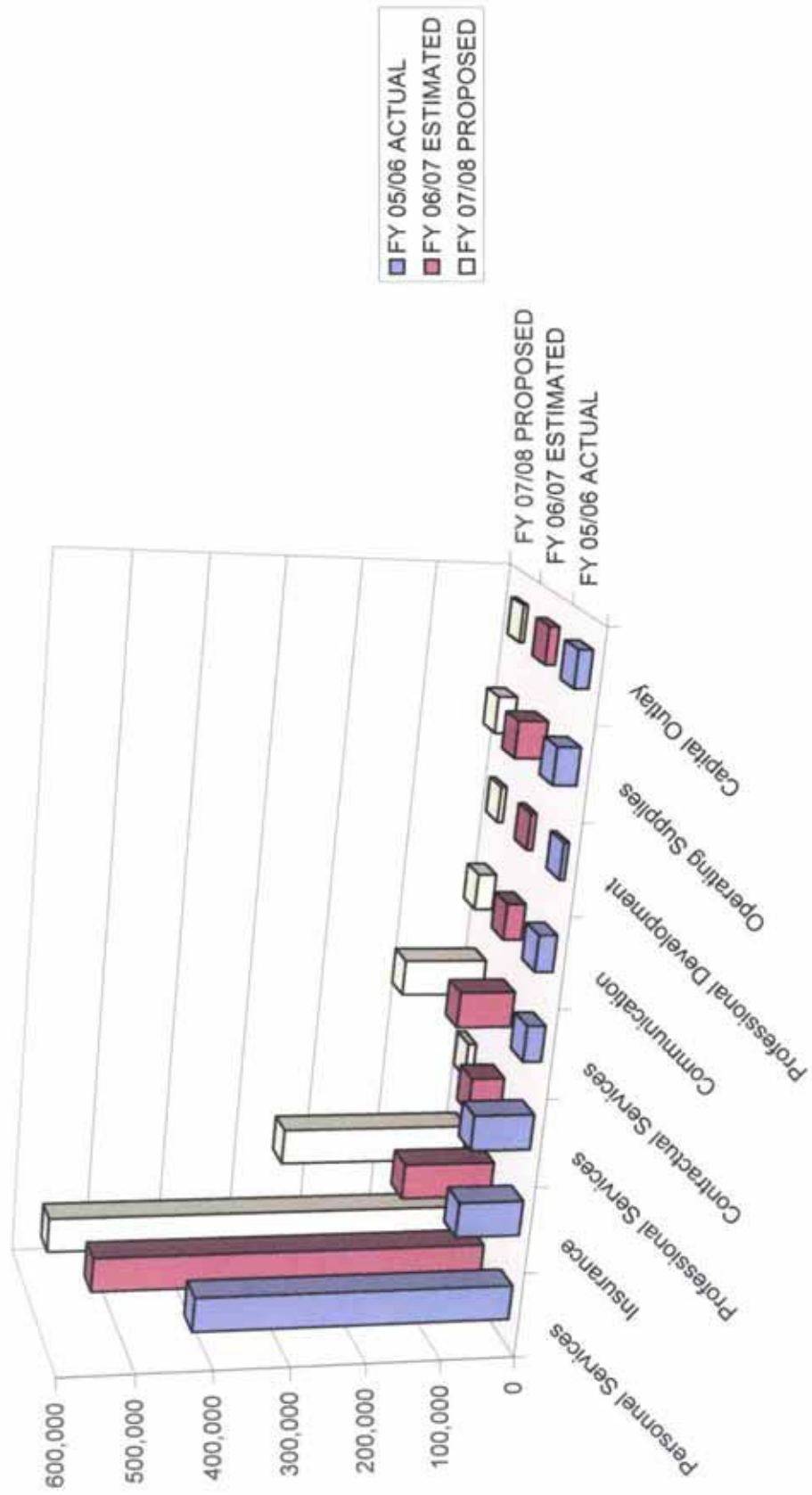
**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**General Fund**

**BUILDING AND ZONING SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	377,016	473,806	493,914	533,015	12%
Salaries Part-Time	41,993	48,954	28,253	25,936	-47%
Overtime	1,750	5,250	5,250	6,500	24%
Stipends	<u>1,800</u>	<u>10,000</u>	<u>3,115</u>	<u>2,500</u>	-75%
<b>Total Personnel Services</b>	<b>422,559</b>	<b>538,010</b>	<b>530,532</b>	<b>567,951</b>	<b>6%</b>
<b>Insurance</b>	86,588	115,088	123,206	256,209	123%
<b>Professional Services</b>	80,283	26,500	44,700	11,000	-58%
<b>Contractual Services</b>	24,419	82,577	73,998	111,988	36%
<b>Communication</b>	23,693	27,760	24,780	24,500	-12%
<b>Professional Development</b>	6,415	11,974	7,750	7,000	-42%
<b>Operating Supplies</b>	30,447	44,991	39,032	25,000	-44%
<b>Capital Outlay</b>	<u>18,727</u>	<u>17,000</u>	<u>13,306</u>	<u>5,680</u>	-67%
<b>TOTAL EXPENDITURES</b>	<b>693,131</b>	<b>863,900</b>	<b>857,304</b>	<b>1,009,328</b>	<b>17%</b>

Village of Oswego  
 Building & Zoning Department Operating Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**General Fund**

**BUILDING AND ZONING**

**01-03**

**Personnel Services**

50-6210	Salaries, Full-Time	533,015
50-6222	Salaries, Part-Time	25,936
50-6230	Overtime	6,500
50-6250	Meeting Stipend	<u>2,500</u>
	<b>Total Personnel Services</b>	<b>567,951</b>

**Insurance and Benefits**

51-6310	FICA, Village Share	42,122
51-6315	IMRF, Village Share	52,517
51-6330	Health Insurance	146,258
51-6335	Dental Insurance	12,515
51-6336	Vision Insurance	<u>2,797</u>
	<b>Total Insurance and Benefits</b>	<b>256,209</b>

**Professional Services**

52-6415	Plumbing Inspections Part-time inspector @ \$25.00 per inspection	5,000
52-6530	Miscellaneous Professional Services	<u>6,000</u>
	<b>Total Professional Services</b>	<b>11,000</b>

**Contractual Services**

53-6500	General Insurance Illinois Municipal League liability insurance, life insurance	25,438
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53-6555	Rental Expense B&Z Office Rental	80,550
53-7315	Maintenance, Equipment Copier maintenance agreement	2,000
53-7325	Maintenance, Vehicles Maintenance on Building and Zoning vehicle fleet	<u>4,000</u>
	<b>Total Contractual Services</b>	<b>111,988</b>

### **Communication**

54-6550	Printing Expense Printing of Subdivision Reg. Comp. Plans Printing of Downtown Plans	3,000
54-6715	Advertising, Bids and Records	3,000
54-6765	Postage and Freight	6,500
54-6785	Telephone Expense	<u>12,000</u>
	<b>Total Communication</b>	<b>24,500</b>

### **Professional Development**

55-6566	Travel and Training ICC and NFPA sponsored seminars for inspectors Computer, organizational and customer service seminars for office staff	6,000
55-6730	Dues National Fire Protection Association(NFPA) International Code Council(ICC)	<u>1,000</u>
	<b>Total Professional Development</b>	<b>7,000</b>

**Operating Supplies**

56-6720	Books and Publications		3,500
	2003 International Building Code		
	2002 National Fire Code		
	ASTM Standards		
56-6735	Gasoline		9,000
	Fuel for six (6) Village owned vehicles		
56-6740	Office Supplies		11,000
	Printer replacement for front office and various office supplies such as copy paper, printer cartridges, toner, etc.		
56-6825	Uniform Allowance		<u>1,500</u>
	Uniforms and clothing for Building Inspectors(summer only), Code Enforcement Officer and Building and Zoning Director		
	<b>Total Operating Supplies</b>		<b>25,000</b>

**Capital Outlays**

57-7822	Computer Hardware		
	Laptops - Toughbooks (\$2,840 x 2)	<u>5,680</u>	
	Total Computer Hardware		5,680
	<b>Total Capital Outlays</b>		<b>5,680</b>
	<b>TOTAL BUILDING AND ZONING</b>		<b>1,009,328</b>

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**COMMUNITY DEVELOPMENT DEPARTMENT**

**DEPARTMENT FUNCTION:**

The Community Development Department is primarily responsible for the administration of the development review process, including project management, and current and long-range planning. This department provides guidance to property owners, developers, citizens and other units of government on planning and other zoning related issues. Community Development prepares background reports and recommendations for the Plan Commission, Zoning Board of Appeals, and the Village Board. It also maintains and revises the Comprehensive Plan and Zoning Ordinance and maintains and prepares maps and other graphic materials for the Village, other agencies, and the general public.

The Community Development Department provides staff liaisons to the Community Development Committee, Historic Preservation Commission, ECO Committee and other committees as needed. The department also assists and coordinates downtown redevelopment related projects and performs special projects as needed.

The following is a position summary for the department. It details the positions that were budgeted (not necessarily filled) for the last two fiscal years and the current fiscal year.

<b>Position</b>	<b>Fiscal Year 05/06</b>	<b>Fiscal Year 06/07</b>	<b>Fiscal Year 07/08</b>
Community Development Director	1.0	1.0	1.0
Planner	2.0	2.0	2.0
Senior Planner	1.0	1.0	0.0
Mapping Technician	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
<b>Totals</b>	<b>6.0</b>	<b>6.0</b>	<b>5.0</b>

**2006/2007 Community Development Objectives: Status**

1. Manage the development review process in a manner consistent with Village policies and good planning practices.

*This is an ongoing objective. Staff continues to work with petitioners to process applications through both internal staff review and through a development review process via boards and commissions. As seen in the performance measures, the number of cases reviewed increased in 2006 while the time to review the cases had decreased.*

2. Create and maintain an existing/pending commercial & manufacturing development map.

*Staff updates the existing/pending development map. Updates are scheduled to occur every three months. This is a tool used to inform the public on future developments and the economic development community of the Village's growth.*

3. Begin a comprehensive amendment to the Zoning Ordinance.

*Staff initiated this project by codifying the existing Zoning Ordinance creating a document that is more easily understood. Staff had established a work program to update the Zoning Ordinance based on sections as time allows.*

4. Establish, update and maintain a GIS mapping system for the Village.

*This is a continuing objective as the development of the community continues. An application has been added to the Village's web site to allow users to identify the zoning classification of specific properties. Maps, including zoning, land use, and pending development has been added to the web site.*

5. Organize and assist with the Village Facade Improvement Program for the downtown area.

*The Village continues to process applications for the façade improvement program, utilizing all of the funds allocated to this program in each of the budget years.*

6. Prepare advisory reports, analyses, and recommendations to the Village Board, Plan Commission and Zoning Board of Appeals.

*Staff prepared reports, analysis, and recommendations to each of these Commissions and Boards.*

7. Provide Staff services to various Boards, Commissions and Committees, as needed.

*Staff provided support to several Boards and Commissions over the past fiscal year. Staff set up and attended meetings, responded to questions, and provided added assistance when needed. Staff also revised the meeting Plan Commission process to streamline the meetings while providing the public with additional opportunity for participation in the process.*

8. Maintain and update the Zoning Map.

*Staff has maintained and will continue to maintain the zoning map for the map.*



9. Establish a revised and updated format for a Village Street map and make available for sale to the public, development industry, etc.

*Staff has maintained and will continue to maintain the Village's Street Map.*

10. Maintain and update the department's monthly project summary report.

*Staff provides a monthly report summarizing the status of the department's activities.*

11. Complete the update of the Village's Comprehensive Land Use Plan.

*In May of 2006, the Village adopted the updated Comprehensive Plan for the Village.*

### **2007/2008 Community Development Objectives**

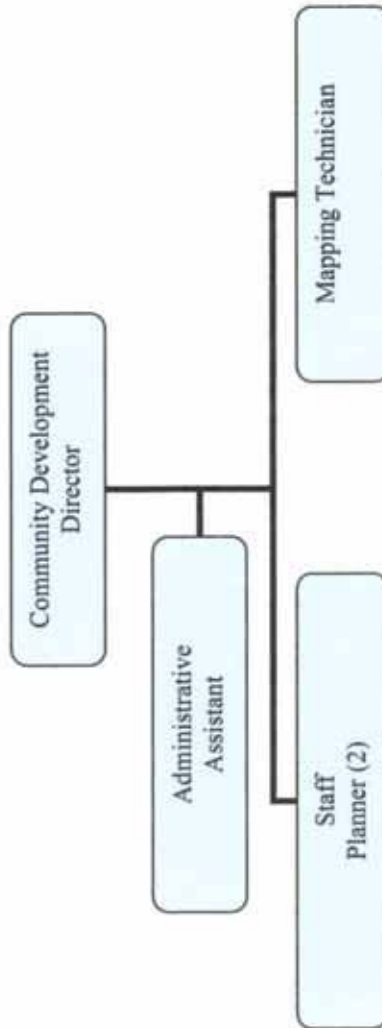
1. Manage the development review process in a manner consistent with Village policies and good planning practices.
2. Maintain the existing/pending residential, commercial, and manufacturing development map.
3. Continue the process amending the Zoning Ordinance.
4. Update and maintain the GIS mapping system for the Village.
5. Assist with the Village Façade Improvement Program for the downtown area.
6. Prepare advisory reports, analyses, and recommendations to the Village Board, Plan Commission, and Zoning Board of Appeals.
7. Provide staff services to various Boards, Commissions, and Committees as needed.
8. Maintain and update the Zoning Map and Street Map.
9. Maintain and update the department's monthly project summary report.
10. Initiate an overall Transportation Plan for the Village.
11. Update the Village's Downtown Plan.

<b>Performance Measures</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Annexation	9	7	11	10	7
Annexation Agreement	9	7	11	14	6
Rezoning: Residential	8	4	8	10	6
Rezoning: Commercial	5	3	6	2	11
Rezoning: Manufacturing	0	0	0	0	0
Concept Plan: Residential	7	3	3	1	0
Concept Plan: Commercial	5	1	1	2	2
Concept Plan: Manufacturing	0	0	0	0	0
PUD Agreement: Residential	0	0	0	0	2
PUD Agreement: Commercial	2	2	3	1	2
PUD Agreement: Manufacturing	0	0	0	0	0
Preliminary PUD: Residential	9	8	12	9	6
Preliminary PUD: Commercial	5	2	7	5	15
Preliminary PUD: Manufacturing	0	0	0	0	0
Preliminary Plat: Residential	9	7	12	6	4
Preliminary Plat: Commercial	3	2	5	3	10
Preliminary Plat: Manufacturing	0	0	0	0	0
Final PUD: Residential	8	13	12	7	11
Final PUD: Commercial	5	9	9	20	36
Final PUD: Manufacturing	3	4	0	3	0
Final Plat: Residential	10	13	15	6	9
Final Plat: Commercial	1	4	4	8	12
Final Plat: Manufacturing	1	0	0	0	0
Special Use Permit: Residential	1	1	0	0	0
Special Use Permit: Commercial	6	1	2	1	4
Special Use Permit: Manufacturing	0	4	0	1	0
Site Plan: Staff Review Only	3	4	2	3	2
Site Plan:	3	0	1	0	0
Variances: Residential	3	2	2	0	7
Variances: Non-Residential	0	3	0	0	2
Zoning Ordinance Text Amendments	0	2	1	3	0
County Jurisdictional Review	4	3	1	3	2
<b>Total Year-End Requested Actions</b>	<b>119</b>	<b>109</b>	<b>128</b>	<b>118</b>	<b>156</b>
<b>Projects Processed</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Plan Commission	61	55	63	67	81
Zoning Board of Appeals	3	5	2	0	9
<b>Total Year-End Projects Processed</b>	<b>64</b>	<b>60</b>	<b>65</b>	<b>67</b>	<b>89</b>

<b>LENGTH OF REVIEW PROCESS</b>		
	<b>2005</b>	<b>2006</b>
Average number of days between application submittal and Plan Commission Meeting	76 days	28 days
Days between application and Village Board decision	132 days	73 days

<b>NUMBER OF TIMES REQUIRED TO SUBMIT FOR REVIEW</b>	
	<b>2006</b>
Number of Plans Reviewed	407
Average number of times a plan was submitted/resubmitted	1.76

**COMMUNITY DEVELOPMENT DEPARTMENT  
ORGANIZATIONAL CHART**



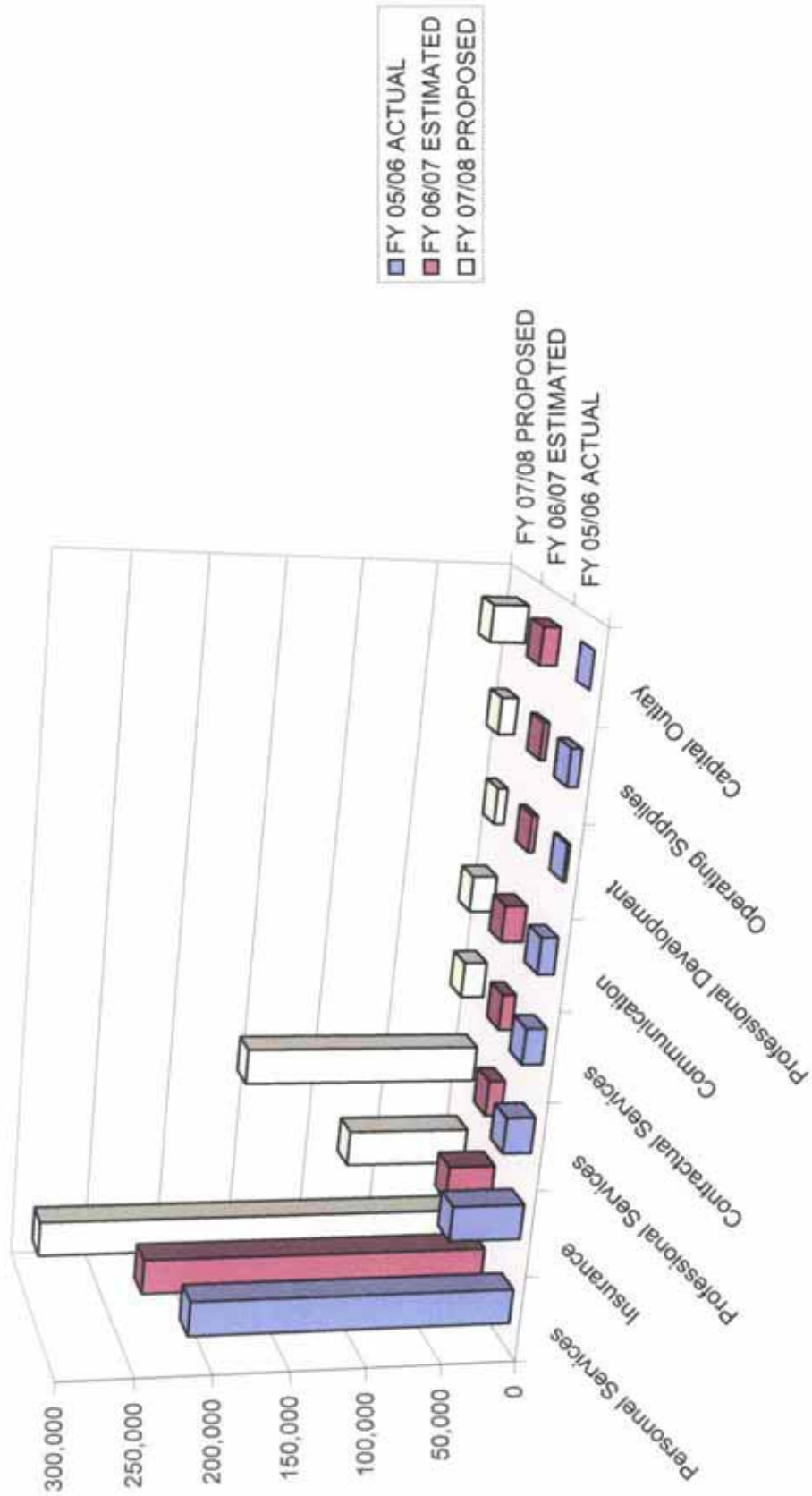
**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**General Fund**

**COMMUNITY DEVELOPMENT SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	210,611	325,042	228,734	279,632	-14%
Salaries Part-Time	1,020	1,000	2,000	3,500	250%
Overtime	<u>2,100</u>	<u>6,000</u>	<u>500</u>	<u>6,000</u>	0%
<b>Total Personnel Services</b>	<b>213,731</b>	<b>332,042</b>	<b>231,234</b>	<b>289,132</b>	<b>-13%</b>
<b>Insurance</b>	47,852	90,417	31,419	82,108	-9%
<b>Professional Services</b>	18,933	27,000	11,030	158,000	485%
<b>Contractual Services</b>	13,385	11,150	8,816	15,342	38%
<b>Communication</b>	10,921	13,700	14,426	16,400	20%
<b>Professional Development</b>	1,865	9,000	3,789	6,500	-28%
<b>Operating Supplies</b>	6,842	7,450	3,668	10,950	47%
<b>Capital Outlay</b>	<u>0</u>	<u>13,000</u>	<u>11,235</u>	<u>23,500</u>	81%
<b>TOTAL EXPENDITURES</b>	<b>313,529</b>	<b>503,759</b>	<b>315,617</b>	<b>601,932</b>	<b>19%</b>

Village of Oswego  
 Community Development Department  
 Operating Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**General Fund**

**COMMUNITY DEVELOPMENT**

**01-04**

**Personnel Services**

50-6210	Salaries, Full-Time	279,632
50-6222	Salaries, Part-Time	3,500
50-6230	Overtime	<u>6,000</u>
	<b>Total Personnel Services</b>	<b>289,132</b>

**Insurance and Benefits**

51-6310	FICA, Village Share	21,499
51-6315	IMRF, Village Share	26,794
51-6330	Health Insurance	30,723
51-6335	Dental Insurance	2,456
51-6336	Vision Insurance	<u>636</u>
	<b>Total Insurance and Benefits</b>	<b>82,108</b>

**Professional Services**

52-6530	Miscellaneous Professional Services	
	Transportation Plan	75,000
	Downtown Plan	60,000
	Miscellaneous consultant services	<u>6,000</u>
	Total Miscellaneous Professional Services	141,000
52-6760	Plan Commission	5,500
	Meeting stipend, planning related seminars/conferences	
52-6792	Environmentally Conscious Oswegoans(ECO) Committee	5,000
	Promotes ecologically friendly practiced within the Village	
52-6830	Zoning Board of Appeals	1,500
	Meeting stipend, zoning related seminars/conferences	

52-6835	Historic Preservation Committee		<u>5,000</u>
	Promotes the retainage of the historic features of the Village		
	<b>Total Professional Services</b>		<b>158,000</b>
<b><u>Contractual Services</u></b>			
53-6500	General Insurance		12,692
	Illinois Municipal League liability insurance: life insurance		
53-7315	Maintenance, Equipment		250
	Service work for the plotter		
53-7830	Mapping Expense		<u>2,400</u>
	Sidwell Aerial Maps		
	<b>Total Contractual Services</b>		<b>15,342</b>
<b><u>Communication</u></b>			
54-6550	Printing Expense		
	Comprehensive Plans	500	
	Zoning Ordinance	500	
	Comprehensive Downtown Plans	2,500	
	Business Cards	400	
	Printing supplies for map reproduction for other departments and agencies	<u>1,000</u>	
	Total Printing Expense		4,900
54-6715	Advertising, Bids and Records		1,000
	Posting of legal notices, job ads, requests for proposals, etc.		
54-6765	Postage and Freight		2,500
54-6785	Telephone Expense		<u>8,000</u>
	SBC and Nextel services		
	<b>Total Communication</b>		<b>16,400</b>
<b><u>Professional Development</u></b>			
55-6566	Travel and Training		5,000
	Monthly planning meetings and planning, zoning and land use related seminars/conferences, GIS/Computer training, organizational, customer service and self-improvement related seminars/training, AICP study and test preparation fee		



55-6730	Dues		<u>1,500</u>
	American Planning Association(APA)		
	American Institute of Certified Planners(AICP)		
	Illinois Geographic Information System		
	Association (ILGIS)		
	<b>Total Professional Development</b>		<b>6,500</b>
<b><u>Operating Supplies</u></b>			
56-6720	Books and Publications		1,000
	Monthly and weekly planning and zoning, historic preservation,		
	grants, and business subscriptions/publications: miscellaneous planning		
	and development related books		
56-6740	Office Supplies		9,000
	Various file folders, stationary, paper, pens, etc.		
56-6806	Miscellaneous		250
56-7835	Office Equipment		
	File Cabinets	<u>350</u>	
	Total Office Equipment		350
56-7885	Furniture		<u>350</u>
	Office desks and chairs for new staff positions		
	<b>Total Operating Supplies</b>		<b>10,950</b>
<b><u>Capital Outlay</u></b>			
57-7821	Mapping System		3,500
	GIS Mapping Software w/ Training		
57-9000	Other Capital Outlay		<u>20,000</u>
	Large Document Scanner		
	<b>Total Capital Outlay</b>		<b>23,500</b>
<b>TOTAL COMMUNITY DEVELOPMENT</b>			<b>601,932</b>

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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**ROAD AND BRIDGE**

**DEPARTMENT FUNCTION:**

The Village of Oswego's Road and Bridge department is responsible for the maintenance, repair and replacement of the Village's roadway system. Additional services out of this department are street patching, concrete curb and gutter replacement, pavement marking, street sign replacement and maintenance, street light maintenance, street sweeping, snow removal operations, mosquito spraying, tree trimming and replacement and brush chipping. Also, this department is responsible for any storm sewer installation and maintenance. The Public Works Department maintains the existing storm sewer lines in the system utilizing the jetter. Staff installed one new storm water structure on Orchard Avenue in Windcrest subdivision.

The Village has approximately 242 miles of roads that need to be maintained by Public Works personnel. This includes anything from curb and gutter work to replacing gravel shoulders to street patching, pavement marking and snow plowing. There are currently 2,004 streetlights along the Village streets.

The Village of Oswego Public Works personnel assisted Smith Engineering, the Village's engineering firm, this past fiscal year to oversee Phase II of the Town Center Renovation project.

The Village of Oswego has two certified arborist on their Public Works staff. This has been a great asset in maintaining the existing trees in the Village along with working with developers to make sure all trees are now properly planted and watered. Currently, two additional staff are in the process to test to become licensed, as well. All tree removal work except for stump removal is done by Village staff.

The following chart details the budgeted, not filled, positions for the Public Works department for the last two fiscal years and the current fiscal year.

<b>Position</b>	<b>Fiscal Year 05/06</b>	<b>Fiscal Year 06/07</b>	<b>Fiscal Year 07/08</b>
Public Works Director	1.0	1.0	1.0
Superintendent	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5
Chief Inspector	1.0	1.0	1.0
Inspector	2.0	2.0	2.0

<b>Position</b>	<b>Fiscal Year 05/06</b>	<b>Fiscal Year 06/07</b>	<b>Fiscal Year 07/08</b>
Operations Supervisor	0.0	2.0	2.0
Tech I*	12.0	11.0	13.0
Tech II	5.0	5.0	5.0
Utility Billing Coordinator	1.0	1.0	1.0
Buildings and Grounds Tech	1.5	1.5	1.5
<b>TOTALS</b>	<b>26.0</b>	<b>27.0</b>	<b>29.0</b>

\* - This number includes 2 part-time Tech I's that total 1 full-time equivalent (FTE).

**2006/2007 Road and Bridge Objectives: Status**

1. Continue Street tree pruning.

*This is an annual program that is done from late fall to early spring.*

2. Continue replacing old street signs

*This is an ongoing process with the older subdivisions and damaged signage throughout the year.*

3. Continue updating old traffic directional signs.

*This is ongoing with the replacement of aging signage and vandalism or damaged signage.*

4. Complete traffic signal I.E.D. upgrades.

*This was completed within the grant time frame and the grant was paid to the Village.*

5. Continue installing "Dead End" diamond signage.

*Most of this has been taken care of by development. We will address any additional as we receive them.*

6. Continue adding safety strips to stop and school signs.

*These have been completed in the school zone areas.*

7. Two additional staff to receive Arborist license.

*These two employees are still in the process of trying to pass the state test.*

8. Additional staff to obtain mosquito spraying license.

*They have completed courses and obtained their licensing.*

9. Mechanic staff to obtain ASE certification.

*They are still pursuing this. We are now investigating the option of on-line classes and certifications.*

10. Continue 50/50 tree replacement program in the spring/fall.

*This is on going.*

11. Continue the annual sidewalk replacement program.

*This is also ongoing and staff will be adding some additional existing subdivision stub sidewalks as needed.*

12. Coordinate and assist with fundraiser activities.

*There were no fundraiser activities last fiscal year.*

13. Continue overseeing punch list completion of Veteran's Walkway and continue maintenance.

*Punch list items were completed. Maintenance continues yearly with landscaping during the warm seasons and snow during the winter.*

14. Continue re-stripping of traffic lane control lines on roadways.

*This is ongoing annually.*

15. Oversee completion of punch list items of phase I town center project.

*These were all completed early last summer.*

16. Oversee phase II of the town center project.

*Staff assisted Smith engineering with this process. Remaining punch list items will be addressed this spring.*

17. Complete purchases of any capital budgeted items.

*This is ongoing annually.*

### **2007/2008 Road and Bridge Objectives**

1. Continue street tree pruning in the fall/winter.
2. Continue replacing old street signs.
3. Continue updating old traffic directional signs.
4. Two additional staff to receive Arborist license.
5. Mechanics staff to obtain ASE certification.
6. Continue the 50/50 tree replacement program in the spring/fall.
7. Continue the sidewalk replacement program.
8. Install small T-sidewalk sections in subdivisions.
9. Continue re-stripping of traffic lane and control lines on roadways.
10. Complete purchases of any capital budgeted items.
11. Complete Minkler Rd. bridge guard rail replacements to bring bridge up to state standards.
12. Hire and train a new staff technician to coordinate and assist with special events.

**Public Works 2006 Quantities of Completed Tasks**

**Street Lights/Traffic Signals**

Incandescent lamps (Traffic Signals) Switched all over to LED.

Street Light Lamps	228
Light Heads	5
Lamp Holders	19
Photo Cells	69
Photo Cell Sockets	12
Button Style Photo Eyes	19
Ballast Kits	92
Fuses	96
Fuse Holder Assemblies	77
New Lines Installed	30
PVC 1" Conduit	11
Line Contactors	3
Ground Rods	34
New Poles Installed (Concrete)	11
New Poles Installed (Decorative)	3
New Light Arms	11
Splice Kits	59
Lens Covers	12
Lens Gaskets	7
Globe Assemblies	7
Pedestal Locks	34
Acorn Lock Nuts	34

**TOTAL CONTRACTED SERVICES:**

**LABOR-** \$134,373.00

**MATERIALS-** \$230,426.77

**2006 TOTAL-** **\$364,799.77**

Total Reimbursements, for Streetlight/Traffic Signals- \$ 41,190.32  
(Insurance/Accidents)

**Parkway Tree Maintenance**

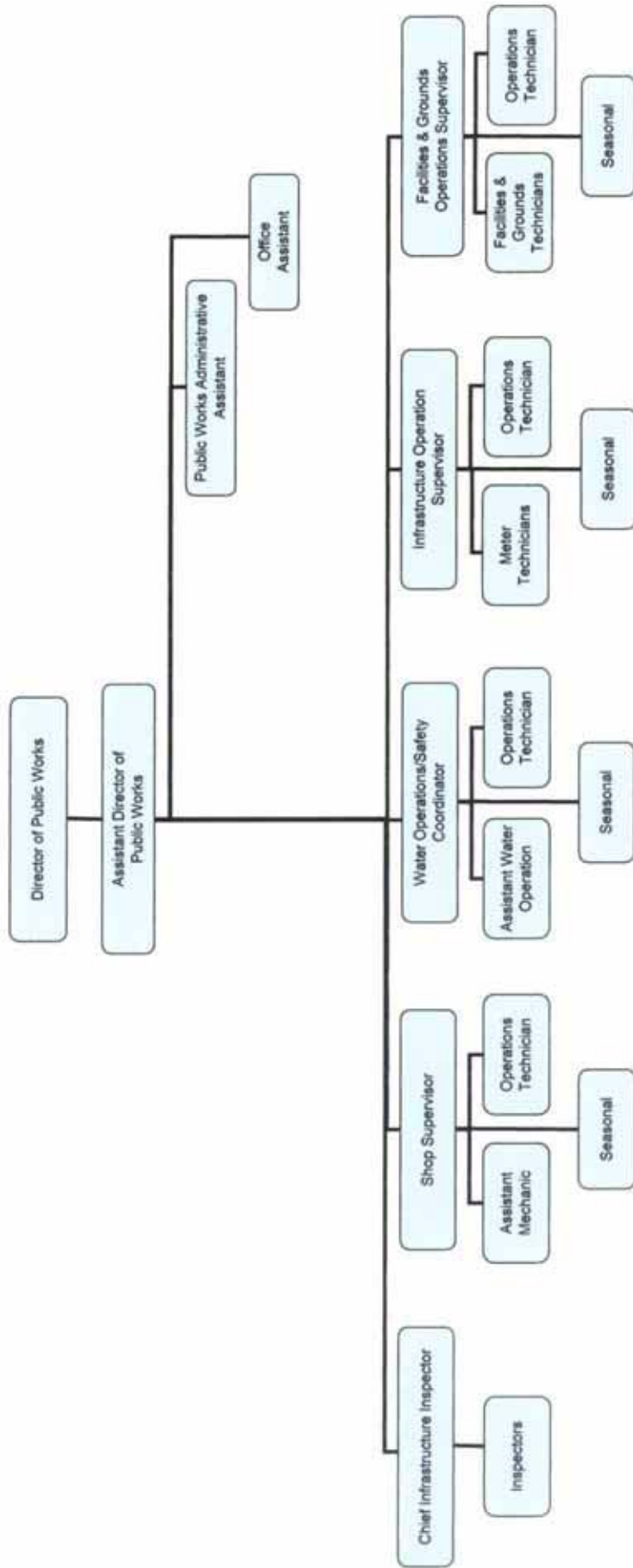
Tree replacement	55
Tree removals	65
Trees pruned	200
Stumps removed	32
Wood Chips Produced	1,240 yds.

J.U.L.I.E. Locate Tickets

<u>Month</u>	<u># Tickets</u>	<u>Costs</u>
January 2006	473	\$ 451.35
February	414	395.30
March	619	591.05
April	1,068	1,023.60
May	1,281	1,222.95
June	1,043	995.85
July	818	780.10
August	943	901.85
September	915	871.25
October	747	711.65
November	600	576.00
December	348	334.08



# PUBLIC WORKS DEPARTMENT ORGANIZATIONAL CHART



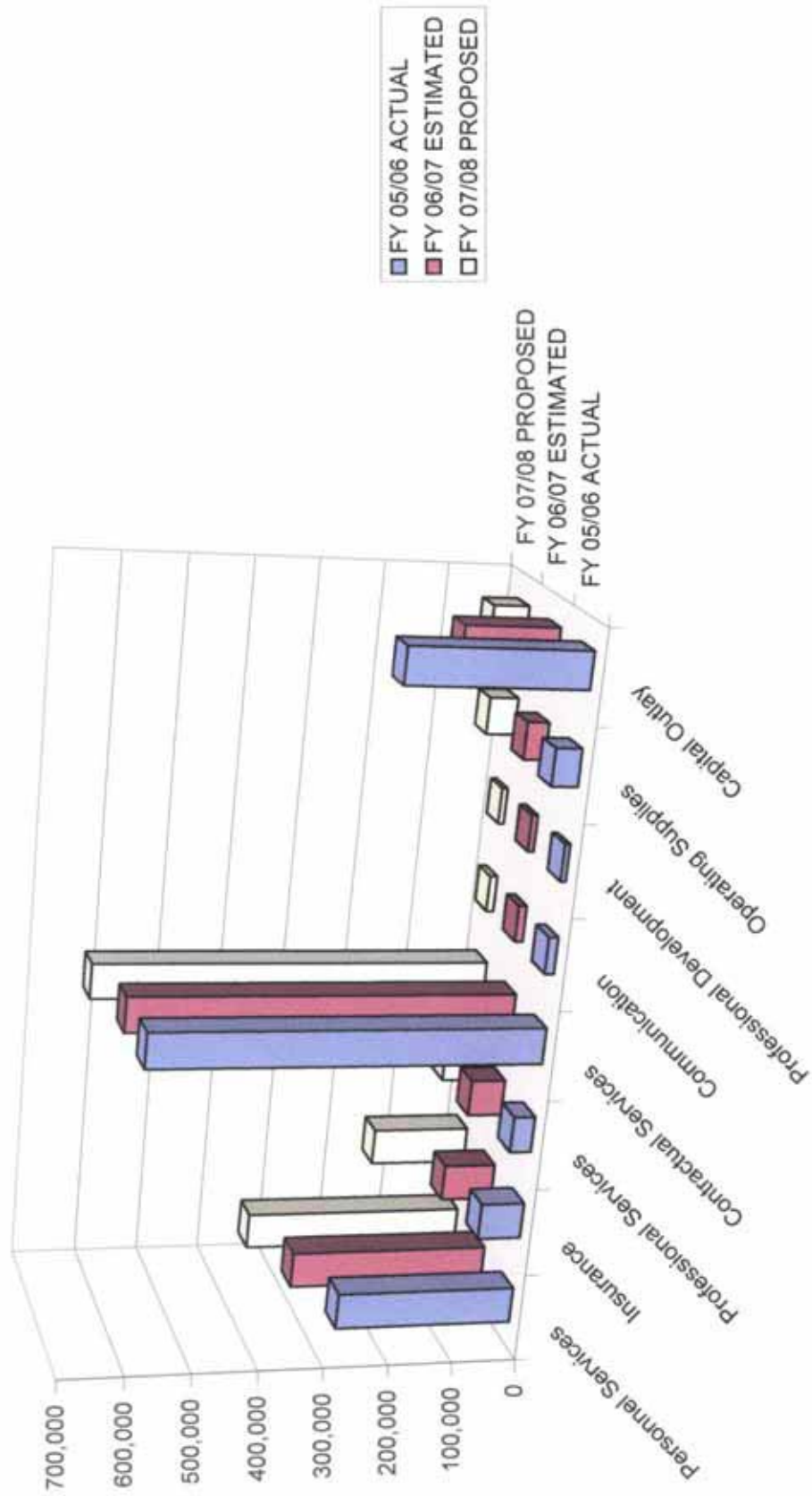
**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**General Fund**

**ROAD AND BRIDGE SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	247,482	282,508	279,556	307,662	9%
Salaries Part-Time	14,007	13,000	14,031	20,000	54%
Overtime	<u>12,686</u>	<u>17,000</u>	<u>14,816</u>	<u>17,000</u>	0%
<b>Total Personnel Services</b>	<b>274,175</b>	<b>312,508</b>	<b>308,403</b>	<b>344,662</b>	<b>10%</b>
<b>Insurance</b>	66,525	87,044	80,461	152,515	75%
<b>Professional Services</b>	32,682	59,000	53,472	51,000	-14%
<b>Contractual Services</b>	594,633	592,985	597,319	622,932	5%
<b>Communication</b>	14,030	15,000	12,400	11,000	-27%
<b>Professional Development</b>	7,466	6,500	9,169	8,500	31%
<b>Operating Supplies</b>	39,679	40,500	33,000	44,500	10%
<b>Capital Outlay</b>	<u>272,408</u>	<u>148,460</u>	<u>145,193</u>	<u>55,000</u>	-63%
<b>TOTAL EXPENDITURES</b>	<b>1,301,598</b>	<b>1,261,997</b>	<b>1,239,417</b>	<b>1,290,109</b>	<b>2%</b>

Village of Oswego  
 Road & Bridge Department Operating Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**General Fund**

**ROAD AND BRIDGE**

**01-05**

**Personnel Services**

50-6210	Salaries, Full-Time	307,662
50-6222	Salaries, Part-Time	20,000
50-6230	Overtime	<u>17,000</u>
<b>Total Personnel Services</b>		<b>344,662</b>

**Insurance and Benefits**

51-6310	FICA, Village Share	25,388
51-6315	IMRF, Village Share	31,958
51-6330	Health Insurance	86,357
51-6335	Dental Insurance	7,105
51-6336	Vision Insurance	<u>1,707</u>
<b>Total Insurance and Benefits</b>		<b>152,515</b>

**Professional Services**

52-6480	Engineering Service Consulting Engineer for Village construction projects	50,000
52-6530	Miscellaneous Professional Services	<u>1,000</u>
<b>Total Professional Services</b>		<b>51,000</b>

**Contractual Services**

53-6500	General Insurance Illinois Municipal League Liability Insurance; life insurance	15,432
53-6540	Mosquito Control Expense Continued spraying of the Village with additional spraying due to West Nile virus concerns	32,000

53-6555	Rental Expense Rental of equipment for roadway work including street sweeping	5,000
53-6570	Snow Removal Expense Salt purchase for snow removal	70,000
53-6575	Tree Removal Expense Contractual hire for a specialist when Village staff cannot remove a tree	6,000
53-6585	Uniform Service Uniform rental service for Public Works staff	6,000
53-7310	Maintenance, Building Maintenance and upkeep of the Public Works facility Security system fees	5,000
53-7315	Maintenance, Equipment Maintenance of various equipment such as plows, spreaders mowers and vehicles	45,000
53-7350	Maintenance, Streets/Storm Sewer NPDES annual costs and annual reporting Cold patching of Village streets Small curb work Digging and replacing storm sewer inlets Thermo & Paint Striping	35,000
53-7355	Maintenance, Bridges Tri-annual I.D.O.T. inspection of Village bridges and upkeep Minkler Rd. Bridge guard rail	20,000
53-7360	Maintenance, Street Lights Rewiring of street lights, bulbs, fuses, etc. and repairing fallen poles Solar Street Light additions	200,000
53-7365	Maintenance, Safety Equipment Safety equipment purchase, i.e. hard hats, safety glasses or materials for water main breaks	2,500
53-7370	Maintenance, Safety Signs Purchase of safety signs for all Village buildings as required by law Supplies for sign machine and sign room	10,000
53-7375	Maintenance, Garage Upkeep of Existing Public Works Garage	1,000

53-7426	Maintenance, Traffic Signals Maintenance of and rental agreements for traffic lights, bulbs, etc.	15,000
53-7844	Leaf Removal Expense Village-wide leaf removal in the fall	45,000
53-7870	Street Lighting Expense Electricity costs for all Village street lights	<u>110,000</u>
	<b>Total Contractual Services</b>	<b>622,932</b>

### **Communication**

54-6550	Printing Expense Notification printing of any Village road project	1,000
54-6715	Advertising, Bids and Records Advertising and bid awards for roadway or infrastructure projects	1,000
54-6765	Postage and Freight Postage and/or freight charges for ordering supplies	2,000
54-6785	Telephone Expense Nextel and telephone usage for the department	<u>7,000</u>
	<b>Total Communication</b>	<b>11,000</b>

### **Professional Development**

55-6566	Travel and Training Seminars and other professional continuing education Roadway inspection classes; Arborist Conference Traffic Signal maintenance certification and training	<u>8,500</u>
	<b>Total Professional Development</b>	<b>8,500</b>

### **Operating Supplies**

56-6735	Gasoline Fuel purchase for Public Works vehicles for non-water services	30,000
56-6806	Miscellaneous	500
56-7425	Maintenance, Supplies Various small parts required for vehicles or equipment; road paint	4,500

56-7445	Tool Expense Tools for shop where Public Works vehicles are maintained Various departmental tools		3,500
56-7465	Tree Purchase Purchase of trees for Village property or parkways		<u>6,000</u>
	<b>Total Operating Supplies</b>		<b>44,500</b>
<b><u>Capital Outlay</u></b>			
57-7842	Equipment Traffic Control Sign Board	<u>15,000</u>	
	<b>Total Equipment</b>		15,000
57-7850	Radios, Communication Equipment Replacement of Nextel radios/phones Two-way radio purchase for Road and Bridge vehicles Two-way radio annual tower/repeater rental		10,000
57-7875	Street Sign Purchase Street sign blanks,posts,hardware,material School zone signage, P.D. request signage Replacement of old signage		20,000
57-7883	Landscaping Materials Plant materials and supplies for downtown.Promenade.Park&Ride and various Village locations		<u>10,000</u>
	<b>Total Capital Outlay</b>		<b>55,000</b>
	<b>TOTAL ROAD AND BRIDGE</b>		<b>1,290,109</b>

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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**POLICE DEPARTMENT**

**Department Function:**

The primary functions of the Oswego Police Department are the preservation of public peace and order, the prevention and detection of crime, the apprehension of offenders and the protection of people and property. The department must uphold the Constitution of the United States, the Constitution of the State of Illinois, as well as enforce the laws of the State of Illinois and the ordinances of the Village of Oswego.

The Oswego Police Department Mission Statement: The Oswego Police Department is committed to enhancing the quality of life by ensuring the safety of the community through the protection of life, liberty and property. We will continue to foster cooperation by building diverse partnerships and serving the community with integrity, professionalism and compassion.

To this end, the Oswego Police Department shall:

Preserve the public peace, prevent crime, detect and arrest offenders against the criminal laws and ordinances effective within the Village, suppress riots, mobs and insurrections, disperse unlawful or dangerous assemblages, protect the rights of all and preserve order at all elections and assemblages.

Administer and enforce laws and ordinances to regulate, direct, control and restrict the movement of vehicular and pedestrian traffic and the use of streets by vehicles and persons, and to adhere to rules and regulations which shall facilitate the lawful goals of the department.

Remove all nuisances in public places, inspect and observe all places of public amusement or assemblage and all places of business within the Village limits which require any State, County or Municipal permit/license.

Provide for the attendance of Police Officers or civilian employees in court as necessary for the prosecution and trial of person(s) charged with crimes and other violations of the law, and cooperate fully with the law enforcement and prosecuting authorities of Federal, State, County and Municipal Governments.

Attain and retain maximum efficiency and effectiveness by creating policies and procedures designed to protect and serve the Village of Oswego and to satisfy the aforesaid goals.

The Oswego Police Department is comprised of three divisions: Field Operations, Investigations and Support Services. Each division has their own responsibilities; however, some tasks require divisions to combine efforts in order to maximize effectiveness. An example of this would be the Support Services personnel providing data for analysis by the Field Operations and Investigative Divisions for resource allocation.

The Field Operations Division has several duties which are completed on a daily basis. Some of these duties include: Calls for service, criminal complaints, traffic safety, preliminary investigations, neighborhood watch, preventative patrol in residential and business areas and protect life & property within the Village of Oswego. The Patrol Division operates 24-hours a day, 7 days a week with two 12-hour shifts. We staff a minimum of four (4) patrol officers and one (1) Sergeant per shift.

The Investigative Division has several duties, some of which are completed on a daily basis, while others are over an extended period of time. Some of these duties include: Follow-up to criminal police reports, conduct more complex investigations, gather intelligence information on criminal activity, proactive computer investigations, evidence and property control, crime scene unit, school liaisons, juvenile services, neighborhood watch, crime prevention and narcotics.

The Support Services Division is responsible for personnel management, training, records, data retrieval, building and vehicle maintenance, budget control, scheduling and Uniform Crime Reporting. The records are maintained in compliance with the State of Illinois and United States Department of Justice. The lobby of the police department is now open 365 days a year, 24-hours a day.

### **General Goals of the Oswego Police Department**

1. Maintain the standards of the United States Department of Justice for sworn personnel ratio according to population.

*The personnel ratio will be measured by the approved number of sworn personnel set by the Board.*

The department has an authorized strength of 50 sworn police officers. According to the United States Department of Justice, based on our estimated population of 27,045 in April of 2008 (end of this FY) at 2.3 officers per 1,000 residents, the department should have approximately 62.1 police officers. The department has made several adjustments with current staff in order to increase the number of police officers on duty at any one time. The department's sworn personnel has always been behind this recommendation and we have made other compensations in order to maintain our high level of service; however, it is imperative that we as a Village do not fall too far behind this recommended number of sworn officers. If this occurs, our high level of service could suffer.

2. Maintain the current level of services.

*With the approved staff we will maintain our quick response to emergency calls for service and continue to provide reactive and crime prevention efforts. Some crime prevention efforts include, but are not limited to: Lock outs, vacation checks, community presentations, youth services and programs.*

### **Accomplishments for 2006/2007 Police Department Objectives**

The Oswego Police Department had six (6) objectives for FY 06/07. The department had a busy year, but was able to stay focused on these objectives. The department did complete a majority of these goals, and for those which were not, substantial steps towards the completion of them were made. Listed below, for your review, are the FY 06/07 objectives along with a *short explanation of our progress or adjustments.*

1. Reduce traffic accidents at our high frequency accident locations as identified by the Traffic Unit.

*Through three quarters crash statistics continue to show lower numbers than the numbers from 2005. It appears that our extra enforcement efforts at these locations have continued to show improvements. The three quarters of 2006 numbers for public roadway crashes show an overall reduction of 17% from the three quarters in 2005.*

2. Reduce the number of Burglaries and Thefts taking place at construction sites.

*We continue to have increased use of Crime Prevention Notices (CPN's) over last year, but continue to see an increase in these crimes. Our total increases in the second quarter of this year are more than double our increases for the first six months (two quarters) of this year. I would attribute many of these to the rash of copper thefts and burglaries that we (as well as most other area departments) had in new development areas due to the sharp increase in the price of "scrap" copper being paid at recycling yards. Criminal Investigations Commander and the Field Operation Commander have met with representatives from the hardest hit subdivisions and provided them with additional crime prevention measures and asked for their help in ensuring that the sites were secured as best as possible and for them to inform us of situations that would have un-securable copper during certain phases of construction.*

3. Conduct an Emergency Operations Plan drill.

*The table top drill has been completed. The exercise involved an active shooter scenario at a local school. Several local law enforcement agencies, school officials and Village officials attended the training. A final report is being compiled and will be distributed for review. After the review of the exercise and*

*our responses, an evaluation of our plan will take place and any necessary adjustments will be discussed and implemented if needed.*

4. Reduce the recurring calls for traffic enforcement on our identified high complaint streets.

*We continue to have success with our traffic unit and our crash numbers again appear to be lower through the three quarters of 2006 than 2005 at our high frequency intersections. I have not received the final update from the traffic unit yet, but I have been told that those numbers are down from last year at this time. We have managed to keep up our DUI enforcement primarily through the assistance and diligence of some patrol officers in the last quarter. Since our night shift traffic officer left the department we had a decline in this figure in August, but have managed to rebound in September. Again, we do not appear to be getting as many repeat complaints in some areas when we have conducted enforcement in these areas, continually work to improve the conditions, and work with the residential area Home Owner Associations (HOA's) to provide information and feedback to our traffic unit for any additional needs.*

5. To begin to investigate high tech crimes facilitated by the use of a computer.

*Online procedures have been reviewed and an additional profile has been added utilizing a male juvenile. This quarter two more meetings with online predators have been set up, however; the two failed to show. Sgt. Zimmerman has rearranged the online time schedule with both Detective Mall and Detective Sherwood to assist them in organizing their online time better. This was done to increase the amount of contacts with offenders. In addition, we have made contact with other police agencies reviewing their individual operating procedures and guidelines. This was done to see if there is anything additional we can be do to assist us in making contacts and arrests. Detectives Mall and Sherwood are making progress on this goal and have made numerous contacts and arranged numerous meetings; however, nothing that has ended in an arrest. Our efforts will continue.*

6. Research the process of administrative adjudication for the Village. Identify the resources needed for this process and conduct an analysis in order to determine if this process is beneficial to the Village.

*We have begun working with the Village Attorney and the Circuit Clerk for ordinance violations, such as parking and fireworks violations. We anticipate this process developing over the next few fiscal years. As the Village achieves our home rule status and we build facilities to house the adjudication process we will make considerable strides to complete this goal.*

## 2007/2008 Police Department Objectives

In fiscal year 2006/2007 the Police Department completed a five-year Strategic Plan. This plan outlines our new Mission Statement, Value Statement and six goals to be completed over the next five years. These six goals have a total of 22 objectives outlined, which will facilitate the achievement of each goal. This plan will be reviewed annually with written updates outlining the progress and any changes which were necessary. We have listed some of our Strategic Plan objectives along with the short term (one year) service oriented objectives below for your review. All objectives are equally important. We have also listed the *method of measurement*. When reviewing these objectives please keep in mind that the department's proposed operating budget is designed to fulfill these objectives.

### Strategic Plan Objectives

1. Enhance the current law enforcement center.

*Remodel the current law enforcement center based on the recommendations from a professional architect/planner to maximize the effective and efficient use of our existing space through the end of our projected operation within the current building.*

2. Complete a space needs analysis for a public safety facility.

*Determine the space needs assessment for a new public safety facility based on the growth of the Village and the Police Department. We will work with Village Officials and a professional architect/planner to determine land acquisition, facility needs and funding sources to build a new public safety facility.*

3. Identify a site/location for a new law enforcement center.

*Identify and locate an adequate amount of property to meet the current and future needs of the department to provide the expected services to our partners. The future needs will be defined as the next 20 years.*

4. Identify the training needs of the department for current and future crime and service trends.

*Identify the specific areas of training for the department based on required or mandated training and the areas of individual career development. This may include police training classes and college level continued education. Determine the employee's needs and areas of expertise possibly through an employee survey and schedule training and education as the soon as practical.*

## Service Objectives

5. To continue to investigate as well as educate the public on high tech crimes facilitated by the use of a computer.

*The computer crime cases brought to this department will be investigated by this department. We will make every effort to further each investigation with the ultimate goal of prosecution. Cases requiring outside intervention (ICAC, ICE and any other agency/jurisdiction necessary to further the investigation) will also be followed up on. Develop, inform and/or present various educational tips, suggestions or information that would educate and protect community members as well as business owners. Continue to provide the latest and most up to date training for the Detectives responsible for these investigations. Review and track the number, types and time spent on computer facilitated crimes cases reported to this department. Community talks and/or hand-outs will be reviewed for the latest changes and updates. Presentations, talks and or hand-outs to the public will continue and will be annotated on the monthly schedule. A review of the training received will be conducted and additional training, depending on the trends, will be provided. Participation in the ICAC Computer Task Force will also continue.*

6. Implementation and utilization of Asset Forfeiture pursuant to Article 36 of the Illinois Compiled Statutes and the Illinois Drug Asset Forfeiture Procedure Act.

*The responsibility for asset forfeiture will rest with the Detective Sergeant, Shift Supervisors and the Criminal Investigations Commander (CIC). Each incident will be reviewed on a case by case basis with the ultimate responsibility lying with the CIC. Training will be provided to shift supervisors relevant to Article 36 and the Illinois Drug Asset Forfeiture Procedure Act. Liaisons will be established with the Illinois State Police Asset Forfeiture Section and the Kendall County States Attorneys Office to assist with this process. This goal will be measured via the number of seizure cases opened.*

7. Work cooperatively with the Patrol Division (Gang Intelligence Unit) to provide gang intelligence within our organization as well as educate the public and other governmental entities on the latest gang trends.

*Officers on each shift and on each team will be trained as gang officers and attend gang conferences. These officers will be responsible for providing training to fellow department members, act as liaisons with other government entities and will assist in identifying training needs to the public. Organization of a computerized database containing up to date gang documentation and contacts will be established. Officers, through training, will be able to identify gang issues/problems sooner and be able to establish a plan (proactive police enforcement) of action in dealing with those issues/problems. This goal will be measured via the organization of a central gang information repository as well as*

*the documentation of information, contacts, training and intelligence. Meetings and training schedules will be documented on the monthly report.*

8. Reduce or maintain the already lowered crash numbers at our high frequency crash intersections and roadway areas as identified by our Traffic Unit.

*Analyze IDOT and OPD crash data to determine our high frequency locations, contributing factors, and times for crashes. Conduct extra enforcement of contributing violations at locations. Continue to use our developed educational tools to increase driver's knowledge of ways to avoid being involved in an accident. Continue to monitor our new intersections that open with particular attention to commercial property entrance areas for changes. After implementation of enforcement/education, conduct quarterly reviews of the accident data. Compare this data with our driver's data and our population data to determine our effect on our residents driving habits.*

9. Work with assigned business and home owner associations (HOA's) to develop programs or training for those groups as it relates to problems reported and confirmed in the assigned area.

*Officers are expected to attend the regular and special meetings for their assigned associations. As problems are reported to those officers they should be investigated for validity by using various time sensitive reports such as (but not limited to) monthly crime analysis, quarterly traffic crash report, quarterly vice, drug, organized crime report, and the quarterly crime prevention report. Officers may also conduct monitoring of an area for evidence of the reported activities. The officers will then relay their findings in writing to Sgt. Delphey (HOA coordinator) and to the appropriate specialty unit and/or division commander (traffic unit, investigations, CPAT, etc.) for additional assistance as required. Officers will compare the above-mentioned statistical reports for the times prior to the reporting of the event and then after programs or remedies have been put in place to measure the effectiveness of the program(s). In the event it is a request for informational training, then the officer will prepare an after action report detailing the training provided to address the concern and the perceived effectiveness of the training.*

### **Comparisons:**

In an effort to provide a benchmark for expenditures, we surveyed communities with our population size and a little larger, due to the fact that we are growing, and created the following table. Some of these communities were used in the Bennett Comparison Study used by the Village in 2002. We then took the overall budget and divided it by the population and the result is a cost per capita. We also included the 2005 Illinois State Police Uniform Crime Reporting Rate as a uniform measurable number for comparison. As you can see in this comparison, we provide law enforcement services at a lower cost

per capita and have the lowest crime rate. We also supplied an average as well. Each community supplied us with the personnel, total budget and population.

City / Village	Full-Time Personnel	Part-Time Personnel	Total Budget	Population	Cost Per Capita	Crime Rate 2005
	Total Authorized	Total Authorized				
Batavia	54	4	\$6,610,695.00	26,348	\$250.91	2,319.80
Plainfield	72	9	\$8,459,002.00	30,314	\$279.05	1,886.60
Lisle	58	3	\$5,318,120.00	21,182	\$251.07	2,329.60
Westmont	60	1	\$6,168,844.00	24,554	\$251.24	2,147.50
W. Chicago	60	0	\$8,520,000.00	26,000	\$327.69	3,019.60
<b>Average</b>	61	4	\$7,013,932.20	25,679	\$273.14	2,340.60
<b>Oswego</b>	<b>60</b>	<b>9</b>	<b>\$5,789,739.00</b>	<b>25,574</b>	<b>\$226.39</b>	2,036.20

The following is a three year summary of the budgeted, not filled, positions for the Police Department.

<u>Position</u>	<u>Fiscal Year 05/06</u>	<u>Fiscal Year 06/07</u>	<u>Fiscal Year 07/08</u>
Police Chief	1.0	1.0	1.0
Deputy Chief	0.0	0.0	1.0
Captain	3.0	3.0	3.0
Sergeants	8.0	8.0	8.0
Patrol Officers	33.0	38.0	40.0
Community Service Officers*	2.0	3.0	3.0
Administrative Assistants	3.0	3.0	3.0
CALEA Mgr./ Evidence Tech.	1.0	1.0	1.0
Records Supervisor	0.0	0.0	1.0
Executive Assistant	1.0	1.0	1.0
Receptionist	2.0	5.0	5.0
Police Cadet*	0.0	0.5	1.0
<b>TOTALS</b>	<b>54.0</b>	<b>63.5</b>	<b>68.0</b>

\* - This is a full-time equivalent number. There are six part-time C.S.O.'s and two part-time Cadets.



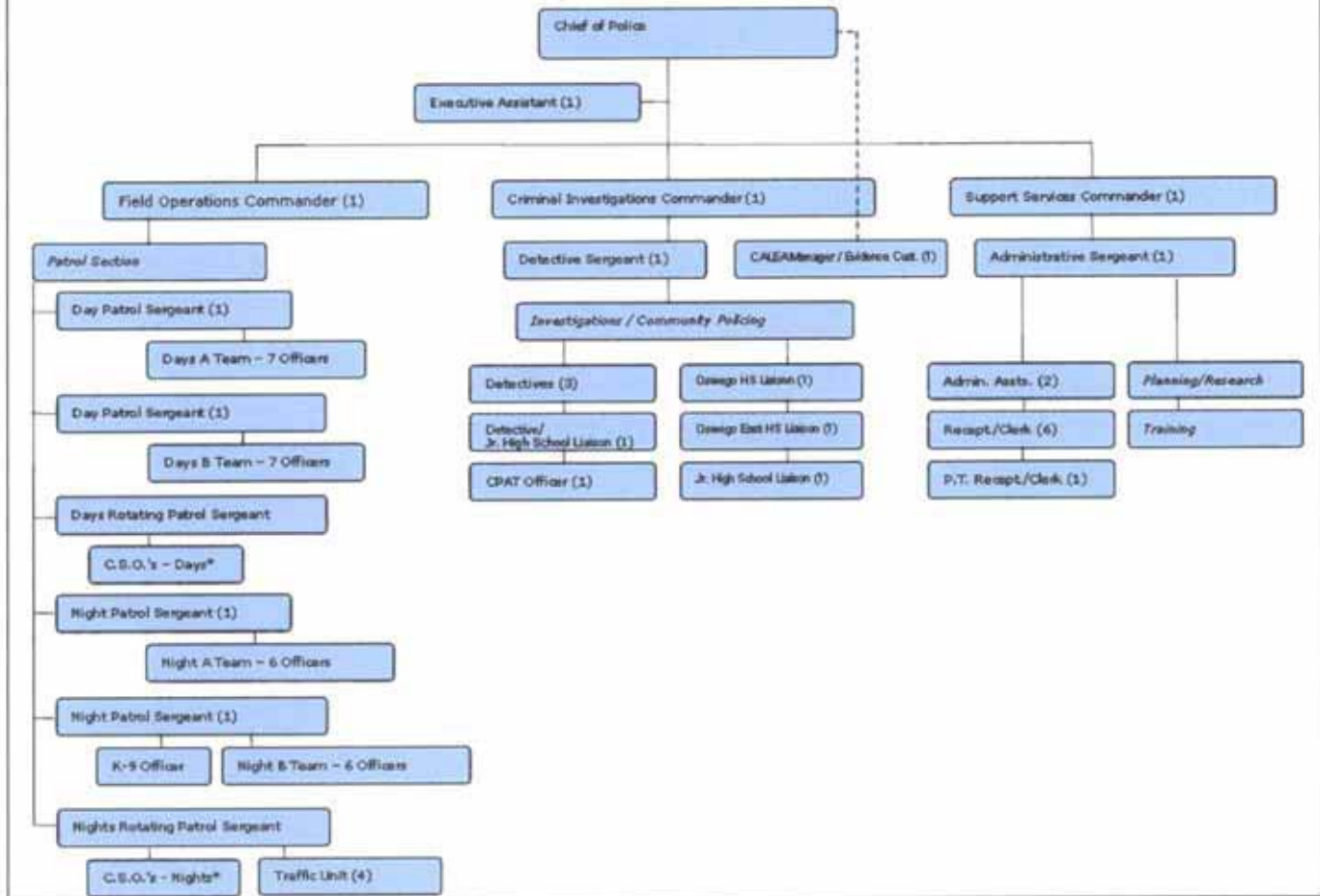
### Police Department Statistics

The department has provided the statistics for fiscal year 2007 and included fiscal years 2005 and 2006 for comparison. The reason for this table is so one can relate and identify with the department's increased service demands. The percent change indicated in the table is the difference between 2006 and 2007.

(Fiscal Year)	2005	2006	2007*	Change
Population (Estimate ending on April 30)	21,933	23,589	26,126	10.8%
Full time Personnel (Authorized)	47	51	60	17.6%
Part time Personnel	5	6	9	50.0%
Police Reports	3,960	4,948	5,136	3.8%
Criminal	1,354	1,404	1,702	21.2%
Non-criminal	771	1,514	1,410	-6.9%
Call for Service	30,847	44,385	50,497	13.8%
Total Arrests	798	1,302	1,280	-1.7%
Felony	97	194	163	-16.0%
Misdemeanors	699	1,108	1,117	.8%
D.U.I.	75	89	122	37.1%
Accidents Reports	698	819	732	-10.6%
Property Damage	513	544	504	-7.4%
Personnel Injury	99	171	126	-26.3%
Hit and Run	83	103	101	-1.9%
Fatal	3	1	1	0%
Traffic Citations	4,187	6,413	7,572	18.1%
Traffic Warnings	6,452	12,250	12,709	3.7%
Ordinance Citations	387	882	1,681	90.6%
Miles Patrolled	414,637	464,183	474,565	2.2%
Total Alarm calls	725	917	900	-1.9%
Burglar	691	869	875	.7%
Hold up	34	48	25	-47.9%
Court Dispositions	\$119,436.30	\$170,837.62	\$213,085	24.7%
Total Fines/Fees & Reimbursements	\$200,230.06	\$584,044.84	\$468,456	-19.8%
Hours Worked	88,286.95	101,094.25	109,970	8.8%
Comp Time Earned	2,322.75	2,238.75	2,391	6.8%
Total Overtime (Hours)	3,979.00	4,178.30	4,767	14.1%
Contractual Service Hours	642	649.5	682	5.0%
Training Hours	5,251.5	4,799.5	5,549	15.6%

\* 2007 are estimated

# 2007 Organizational Chart



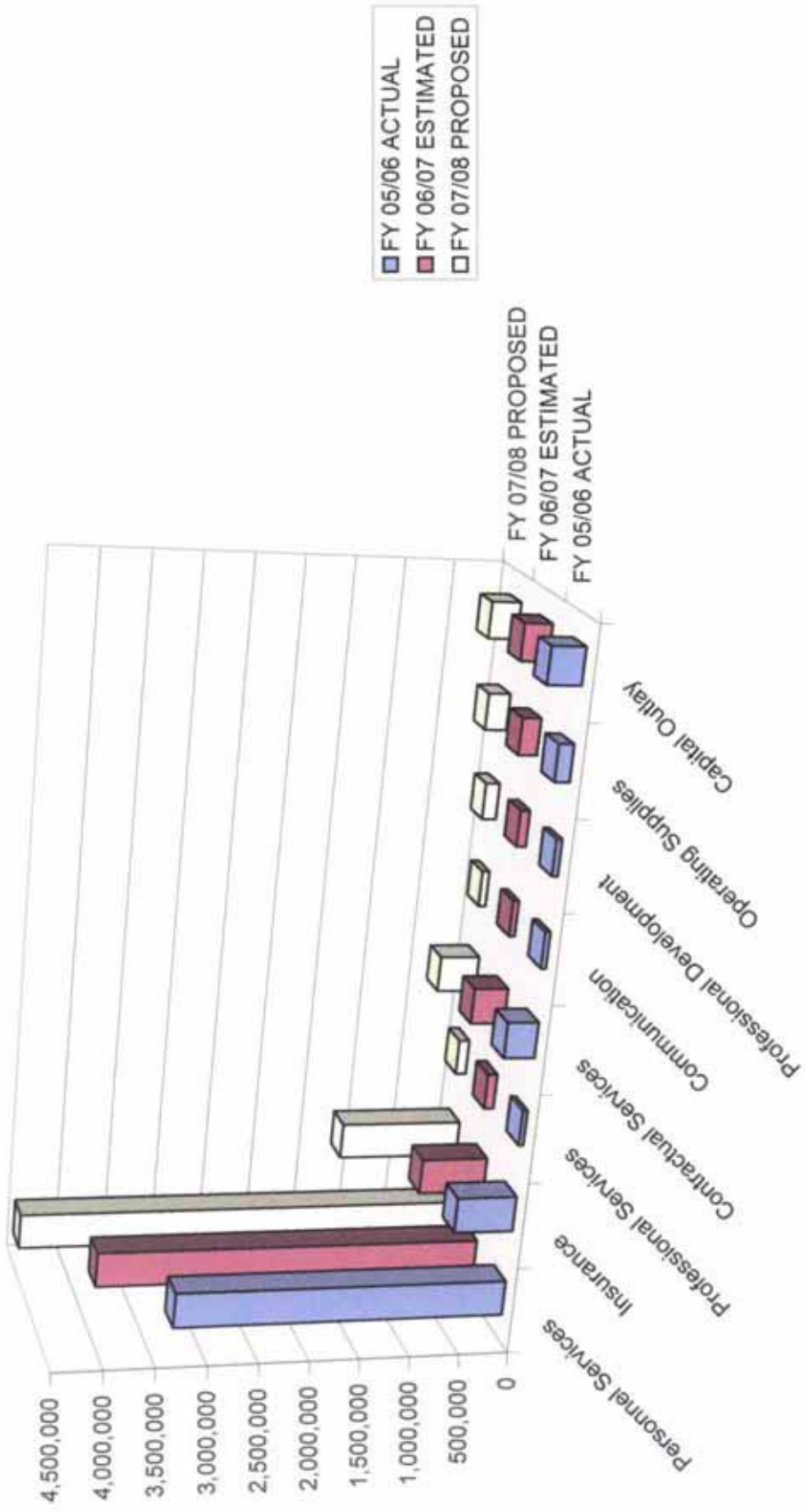
**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**General Fund**

**POLICE DEPARTMENT SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Personnel Services</b>					
Salaries, Full-Time	3,112,432	3,665,437	3,644,437	3,543,947	-3%
Salaries, Clerical	0	0	0	453,846	100%
Salaries, Other	0	0	0	195,100	100%
Overtime	<u>182,843</u>	<u>239,210</u>	<u>235,210</u>	<u>296,450</u>	24%
<b>Total Personnel Services</b>	<b>3,295,275</b>	<b>3,904,647</b>	<b>3,879,647</b>	<b>4,489,343</b>	<b>15%</b>
<b>Insurance</b>	594,358	841,607	669,465	1,240,392	47%
<b>Professional Services</b>	46,687	96,735	96,735	104,535	8%
<b>Contractual Services</b>	307,638	361,390	341,541	401,609	11%
<b>Communication</b>	49,332	59,420	59,420	70,610	19%
<b>Professional Development</b>	54,509	106,230	91,230	140,955	33%
<b>Operating Supplies</b>	147,395	184,610	184,610	216,565	17%
<b>Capital Outlay</b>	<u>333,549</u>	<u>286,390</u>	<u>276,390</u>	<u>291,898</u>	2%
<b>TOTAL EXPENDITURES</b>	<b>4,828,743</b>	<b>5,841,029</b>	<b>5,599,038</b>	<b>6,955,907</b>	<b>19%</b>

Village of Oswego  
Police Department Operating Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**General Fund**

**POLICE**

**01-10**

**Personnel Services**

50-6210	Salaries, Full-Time	3,543,947
50-6220	Salaries, Clerical	453,846
50-6230	Overtime	296,450
50-6235	Salaries, Other	<u>195,100</u>
<b>Total Personnel Services</b>		<b>4,489,343</b>

**Insurance and Benefits**

51-6310	FICA, Village Share	339,613
51-6315	IMRF, Village Share	41,562
51-6330	Health Insurance	778,188
51-6335	Dental Insurance	65,765
51-6336	Vision Insurance	<u>15,264</u>
<b>Total Insurance and Benefits</b>		<b>1,240,392</b>

**Professional Services**

52-6430	Police Commission	
	Commission Meeting Fees	1,050
	Patrol Officer Testing	41,000
	Attorney - Legal Fees	3,375
	Advertising	1,250
	Recruitment/ Career Day	2,500
	H.. Police Commission Conference/Dues	<u>1,200</u>
	Total Police Commission	50,375
52-6435	K-9 Unit	
	K-9 Recertification	500
	Food & Boarding	2,350
	K-9 Mortality Insurance	900

	Training Equip.	100	
	Medication/Vet	600	
	Grooming	<u>200</u>	
	Total K-9 Unit		4,650
52-6460	Crime Prevention		
	National Night Out	7,000	
	Citizen Police Academy	500	
	Neighborhood Watch	350	
	Citizen Police Academy Alumni (Shirts)	200	
	Supplies ( I-DENTI-KIT) Pamphlet	1,000	
	Junior Police Badges/Giveaway Prairiefest	2,500	
	Child Safety Seat Equipment	<u>2,500</u>	
	Total Crime Prevention		14,050
52-6467	Tobacco Compliance Checks		650
52-6530	Miscellaneous Professional Services		
	Administrative	16,930	
	Field Operations	1,420	
	Investigations	<u>16,460</u>	
	Total Miscellaneous Professional Services		<u>34,810</u>
	<b>Total Professional Services</b>		<b>104,535</b>
 <b><u>Contractual Services</u></b>			
53-6500	General Insurance		119,349
	IML Liability Insurance, Life Insurance		
53-6825	Uniform Allowances		37,200
	Officers - 33,650; Clerks - 1,750; CSO's - 1,800		
53-7310	Maintenance, Buildings		
	Exterior Building	18,730	
	Interior Building	17,500	
	Cleaning and maintenance Supplies	5,500	
	Misc.	<u>3,500</u>	
	Total Maintenance, Buildings		45,230
53-7325	Maintenance, Vehicles		
	Squad Car Maintenance	49,000	
	Insurance Deductibles	3,000	
	License Plates - Renewal	1,000	
	Misc. Vehicle - Bulbs, Flasher, Wipers, Bicycles	<u>7,000</u>	
	Total Maintenance, Vehicles		60,000

53-7330	Maintenance, Police Equipment		
	Squad Car Equip. Repair	13,160	
	Police Equip. Maintenance Agreements/usage	17,500	
	Misc. Repair (Scales - Speed Trailer)	<u>6,500</u>	
	Total Maintenance, Police Equipment		37,160
53-7335	Maintenance, Office Equipment		
	Computer Maint. NIE & New World	8,200	
	Office Communication Equip.	26,410	
	Records System upgrades/maintenance	<u>29,140</u>	
	Total Maintenance, Office Equipment		63,750
53-7880	Uniform Purchases		
	Bullet Proof Vests	9,750	
	Department Equip.	24,550	
	Specialty Uniform	3,620	
	Damaged Uniforms	<u>1,000</u>	
	Total Uniform Purchase		<u>38,920</u>
	<b>Total Contractual Services</b>		<b>401,609</b>

### Communication

54-6550	Printing Expense		
	Stationary	750	
	Report Forms	9,000	
	Misc. Forms	<u>6,000</u>	
	Total Printing Expense		15,750
54-6715	Advertising, Bids and Records		950
54-6765	Postage and Freight		7,000
54-6785	Telephone Expense		
	Telephone Service	27,830	
	Investigations	2,480	
	Mobile Phone Service	<u>16,600</u>	
	Total Telephone Expense		<u>46,910</u>
	<b>Total Communication</b>		<b>70,610</b>

**Professional Development**

55-6565	Schools and Training Expense		
	North-East Multi-Regional Training (85x42)	4,500	
	<b><u>Conferences &amp; Specialized Training</u></b>		
	Administration	11,645	
	Field Operations	56,435	
	Investigations	<u>17,985</u>	
	Total Schools and Training Expense		90,565
55-6730	Dues		
	National	1,975	
	State	1,415	
	Local	<u>500</u>	
	Total Dues		3,890
55-6805	Travel Expense		
	NEMRT (Lunch \$10 x 42 x 2)	1,620	
	<b><u>Conferences &amp; Specialized Training</u></b>		
	Administration	12,950	
	Field Operations	14,665	
	Investigations	<u>17,265</u>	
	Total Travel Expense		<u>46,500</u>
	<b>Total Professional Development</b>		<b>140,955</b>

**Operating Supplies**

56-6720	Books and Publications		
	Law updates	920	
	Miscellaneous	520	
	Fair Labor Standards	<u>450</u>	
	Total Books and Publications		1,890
56-6735	Gasoline		125,000
56-6740	Office Supplies		
	Printer Supplies	9,500	
	General Supplies	<u>5,500</u>	
	Total Office Supplies		15,000
56-6745	Operating Supplies		
	Administrative	13,850	
	Field Operations	44,750	



	Investigations	8,385	
	Firearms Equip.	2,500	
	Tactical	<u>820</u>	
	Total Operating Supplies		70,305
56-6806	Miscellaneous		<u>4,370</u>
	<b>Total Operating Supplies</b>		<b>216,565</b>
<b><u>Capital Outlays</u></b>			
57-7835	Office Equipment		
	Servers	10,300	
	Computer Work Stations	<u>21,800</u>	
	Total Office Equipment		32,100
57-7840	Police Equipment		
	Equipment for New Vehicles	<u>55,245</u>	
	Total Police Equipment		55,245
57-7845	Radios and Radar		
	KenCom Radio	2,500	
	Oswego Radio	2,500	
	Radar	8,600	
	HT 1250 Radio	<u>5,775</u>	
	Total Radios and Radar		19,375
57-7860	Squad Equipment Transfer		
	Installation of Equipment	<u>5,163</u>	
	Total Squad Equipment Transfer		5,163
57-7865	Squad Car Purchase		87,800
	3 Chevy Impala		
	1 Deputy Chief Car		
57-9000	Other Capital Outlay		
	Smart Radar Trailer	21,000	
	Space Needs Analysis	50,000	
	Traffic Pre Emption	<u>21,215</u>	
	Total Other Capital Outlay		<u>92,215</u>
	<b>Total Capital Outlays</b>		<b>291,898</b>
	<b>TOTAL POLICE DEPARTMENT</b>		<b>6,955,907</b>

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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**MOTOR FUEL TAX FUND**

**Motor Fuel Tax Fund Overview**

Motor Fuel Tax Funds are disbursed to the Village from the Illinois Department of Transportation on a per capita basis. Motor Fuel Taxes are derived from a tax on the privilege of operating motor vehicles upon public highways based on the consumption of motor fuel. The Motor Fuel Tax Budget is shown based on the 2007 calendar year activity.

Use of Motor Fuel Tax Funds is restricted to direct expenses associated with, but not limited to, street improvements and maintenance, storm sewers and bicycle parking facilities, paths, signs and markings based upon the appropriate Illinois State Statutes. Motor Fuel Tax operations include: micro-surfacing, concrete curb and gutter replacement, street rebuilding and improvements.

Motor Fuel Tax Funds can be used for other infrastructure improvements as long as an approved project is in effect. The Illinois Department of Transportation must approve all projects that intend to utilize Motor Fuel Tax funds. Funding for these projects can be a mix of Federal dollars and State Motor Fuel Tax allotments. Examples for such improvements include the Orchard Road Park and Ride and the Waubensee Creek Promenade.

The Motor Fuel Tax Fund will have its usual roadwork project for Fiscal Year 2007/2008. This is the only scheduled project to be expended from the MFT Fund this year. The improvements to the Kingsbury subdivision will be run through the MFT Fund but the HOA from Kingsbury will pay for the improvements before any expenses are incurred. The reason for this is that the Village can contract to get the work needed in Kingsbury at a better price than Kingsbury can. This is achieved by including the Kingsbury work with the bid requests for the 2007 MFT road program. The HOA will prepay the expenses to the Village when the bids are approved so it will not cost the Village anything nor will the Village front any money for this project. The Village has several significant infrastructure projects coming in the near future, including the Douglas Road widening project, the Wolf Road improvement project and Phases III and IV of the Town Center Renovation project that could use MFT funds to help defray the Village's portion of the project's costs. That is why, in FY 2007/2008, staff is recommending that no other funds be expended from the MFT Fund.

**2006/2007 Motor Fuel Tax Fund Objectives: Status**

1. Complete the 2006 roadwork project.

*This project was completed on time and under budget.*

2. Develop a financing plan for the Douglas Road widening project that utilizes MFT funds.

*Staff has started this process with assistance from Smith Engineering. It will be completed in FY 2007/2008.*

3. Restrict the use of MFT funds in order to build up the reserves of the fund.

*This was not totally met due to final payments due on the Promenade project. This will continue in FY 2007/2008.*

**2007/2008 Motor Fuel Tax Fund Objectives**

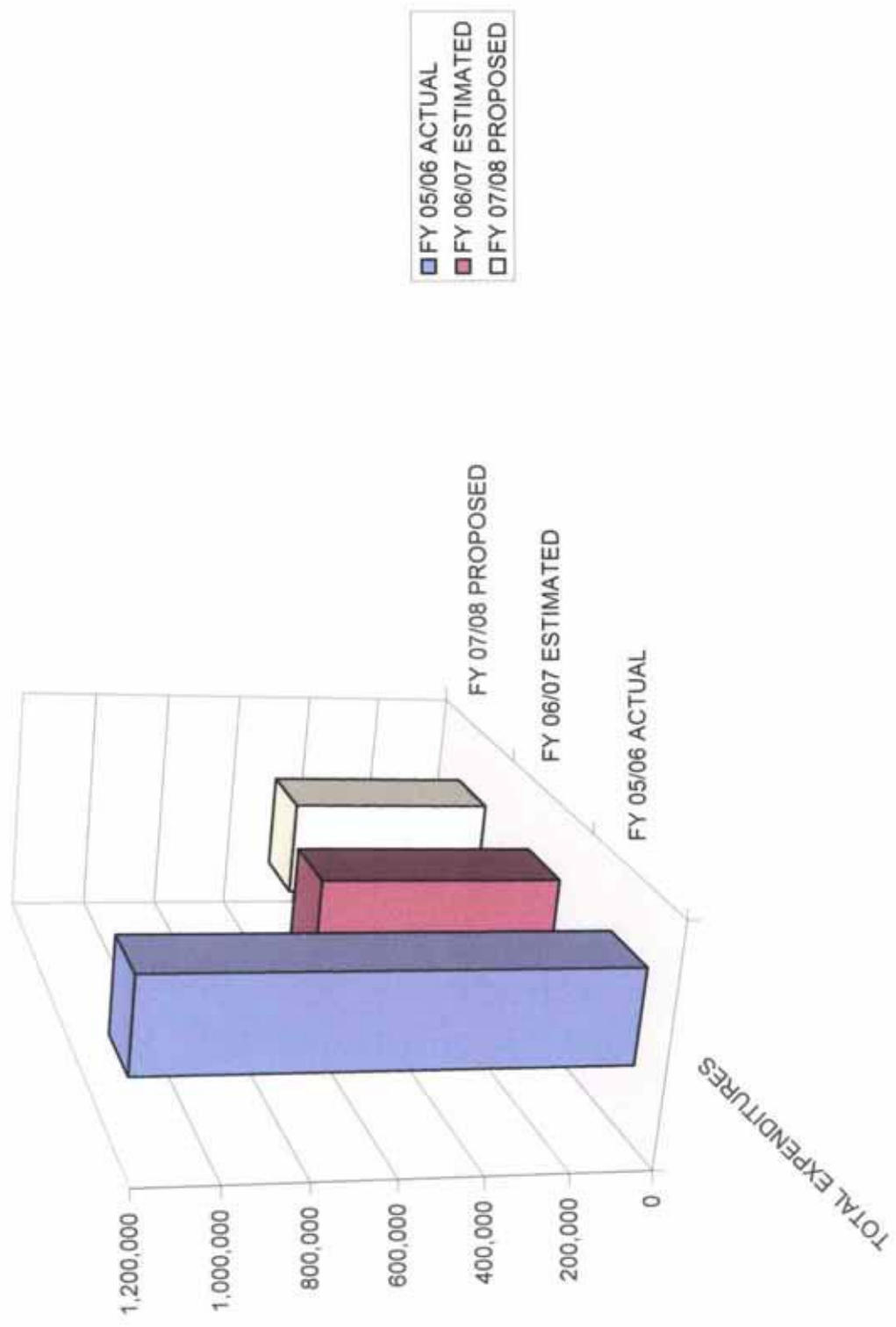
1. Complete the 2007 roadwork project.
2. Complete the Kingsbury project.
3. Finalize the financing plan for the Douglas Road widening project.
4. Continue to restrict the use of MFT funds in order to build up the reserves of the fund.

**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**MOTOR FUEL TAX FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
State Allotments	612,750	568,746	578,720	585,042	3%
Interest Income	17,047	23,000	8,228	10,000	-57%
Reimbursements	<u>61,696</u>	<u>0</u>	<u>416</u>	<u>200,000</u>	0%
<b>TOTAL REVENUE</b>	<b>691,493</b>	<b>591,746</b>	<b>587,364</b>	<b>795,042</b>	<b>34%</b>
 <b><u>EXPENDITURES</u></b>					
Streets and Sidewalks	0	615,000	303,502	325,000	-47%
Kingsbrook Improvements	0	0	0	200,000	100%
Public Improvements	<u>1,182,599</u>	<u>0</u>	<u>306,841</u>	<u>0</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>1,182,599</b>	<b>615,000</b>	<b>610,343</b>	<b>525,000</b>	<b>-15%</b>
<b>Net Income(Loss)</b>	<b>(491,106)</b>	<b>(23,254)</b>	<b>(22,980)</b>	<b>270,042</b>	
 <b><u>Beginning Net Cash &amp; Fund Balance</u></b>			124,971	101,991	
<b><u>Ending Net Cash &amp; Fund Balance</u></b>			101,991	372,033	

**Village of Oswego  
Motor Fuel Tax Fund Expenditures**



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**SPECIAL CENSUS FUND**

**Special Census Fund Overview**

The Special Census Fund was created to account for the numerous special censuses the Village of Oswego will be undertaking on an almost biannual basis. This budget document speaks at length about the exponential growth the Village has experienced and will continue to see for the next ten to twenty years. A major concern of the Village throughout this time is paying for services provided to its residents. One source of funding to pay for Village operations is through per capita revenues received through the State of Illinois. As the Village's population increases, so does the amount the Village recognizes each year in these per capita revenue forms.

The Village receives three per capita revenues: Income Tax, Local Use Tax and Motor Fuel Tax (MFT). Income Tax and Local Use Tax help support general operations of the Village. MFT funds support certain types of infrastructure maintenance and repair throughout the Village. Currently, the Village receives about \$123.80 per person per year in per capita revenues. Village staff estimates that the Village's population grows between 1,500 and 2,000 people each year. Based upon a conservative amount of 1,500 new residents each year, the Village loses on collecting \$185,700 (1,500 x \$123.80) each year there is no updated population number for the Village. By the second year, the Village has lost \$371,400 (\$185,700 x 2) and so on with each passing year.

The only way for the Village to have officially recognized new population numbers is to have the U.S. Census Bureau conduct a special census. Once the special census is complete and the new population number is received by the State of Illinois, the Village will receive its updated per capita revenues.

The Special Census Fund accounts for the funds received to fund these special censuses, normally in the form of a transfer from the General Fund, and the expenditures incurred to conduct the special census. The General Fund transfer will be funded by a better than anticipated surplus in the General Fund for each fiscal year. For example, if the General Fund is budgeted to have a fiscal year surplus of \$50,000 but it will end the year with a \$100,000 surplus, staff will recommend to the Board to transfer \$50,000 from the General Fund to the Special Census Fund to cover future special census costs.

**2006/2007 Special Census Fund Objectives: Status**

1. Complete the 2006 special census.

*See response to next objective.*

2. Continue to plan for future special censuses, including a complete census in FY 2007/2008.

*There are anticipated changes to Illinois laws on special censuses that would allow a partial special census, which costs about \$175,000, to grant home rule powers to a municipality rather than a full special census, which costs about \$500,000. The possible savings had Staff recommend to the Board waiting to see the outcome of this new legislation. At the time of the writing of this document, the legislation had passed the Illinois House of Representatives and was on its way to the Illinois Senate. If approved there, it would only need signature by the Governor to become law.*

### **2007/2008 Special Census Fund Objectives**

1. Complete either a partial or full special census.

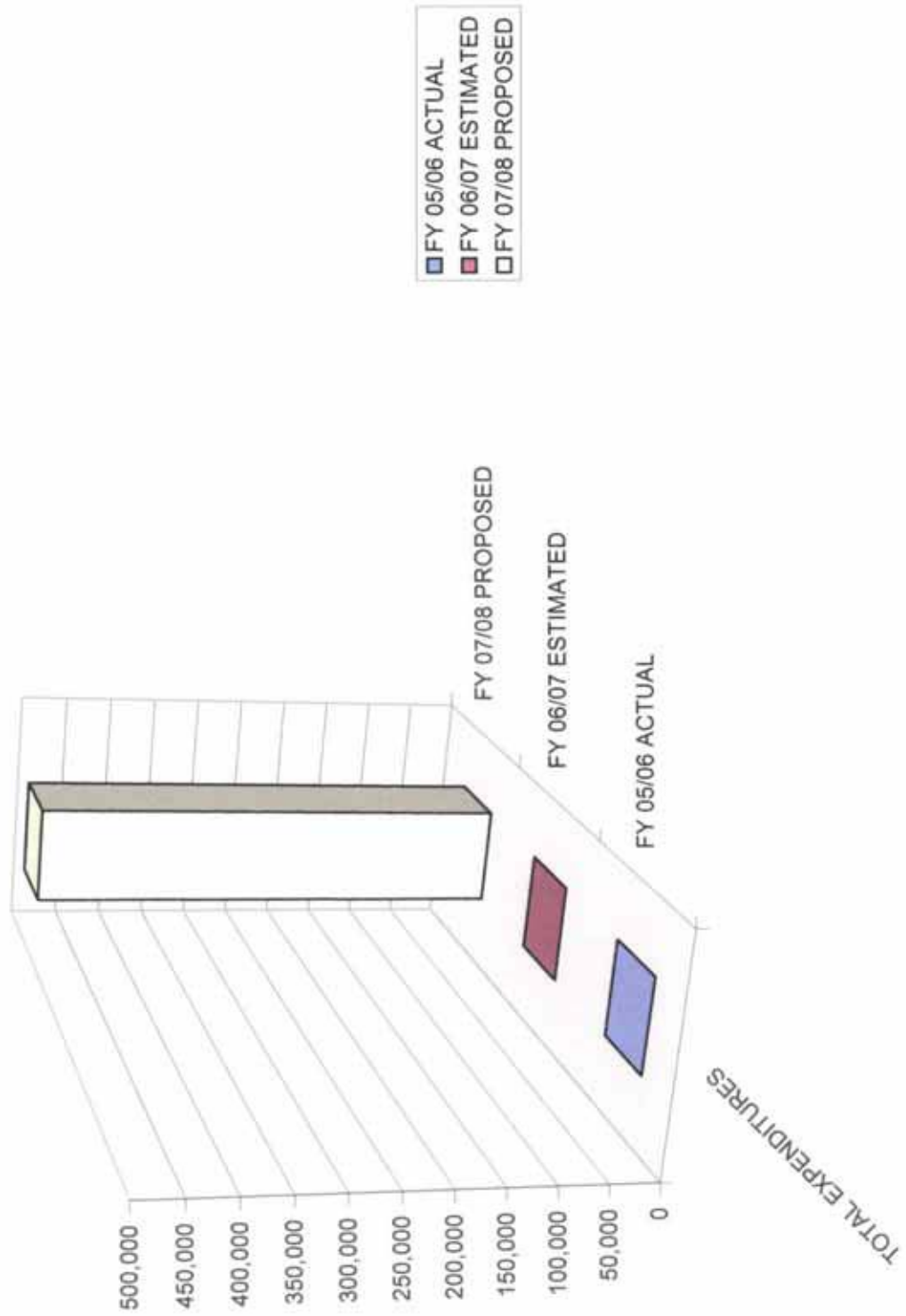


**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**SPECIAL CENSUS FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 05/06 ACTUAL</u></b>	<b><u>FY 06/07 BUDGET</u></b>	<b><u>FY 06/07 ESTIMATED</u></b>	<b><u>FY 07/08 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
Transfer from Other Funds	500.000	0	0	0	0%
Interest	<u>1,978</u>	<u>15,000</u>	<u>20,749</u>	<u>12,500</u>	-17%
<b>TOTAL REVENUE</b>	<b>501,978</b>	<b>15,000</b>	<b>20,749</b>	<b>12,500</b>	<b>-17%</b>
 <b><u>EXPENDITURES</u></b>					
<b>Professional Services</b>					
Special Census	<u>0</u>	<u>175,000</u>	<u>0</u>	<u>500,000</u>	186%
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>175,000</b>	<b>0</b>	<b>500,000</b>	<b>186%</b>
<b>Net Income(Loss)</b>	<b>501,978</b>	<b>(160,000)</b>	<b>20,749</b>	<b>(487,500)</b>	
 <b><u>Beginning Fund Balance</u></b>			501.978	522.727	
<b><u>Ending Fund Balance</u></b>			522.727	35.227	

Village of Oswego  
Special Census Fund Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**WATER AND SEWER FUND**

**DEPARTMENT FUNCTION:**

The Village of Oswego's Water and Sewer fund is responsible for the operation and maintenance of seven wells, four water towers, the water distribution and Radium removal systems. This includes approximately 755,012 feet of water main, 2,345 fire hydrants and several thousand feet of water service lines. In fiscal 06/07 the Public Works Department repaired 3 water main breaks and 1 water service line.

This fund is also responsible for the maintenance of all sanitary sewer lines 15" and smaller and the maintenance of six lift stations. This includes approximately 622,711 feet of sanitary sewer lines throughout the entire Village. In addition to routine maintenance including maintaining the existing lines with the jetter, the Public Works Department will also dig and repair any needed sanitary lines.

**2006/2007 Water and Sewer Fund Objectives: Status**

1. Continue hydrant and curb painting.

*This is ongoing annually and will continue in the spring with the seasonal staff. The full time staff does the routine maintenance and repairs after annual flushing. The town is broken up in zones and each season a new zone is completed.*

2. Continue water valve exercising.

*This is ongoing and also is broken down into zones. We will continue until all zones are complete and continue a program.*

3. Continue sanitary and storm line jetting maintenance.

*This program has continued as with the above it is also broken down into zones and will continue until all zones are complete. This is critical to avoid any blockage of lines.*

4. Continue sanitary line tree root control maintenance program.

*This is an annual program done by Dukes Root Control. A foaming solution is injected into the sanitary lines to kill and maintain tree roots. There is no*

*harm to the trees themselves. This is done every summer treating approx. \$12,000 annually.*

5. B-box locating and mapping program.

*This was started last year and is continuing until all existing boxes have been located and mapped. There are approx. 200 existing boxes yet to be located and charted. There are approx. another 900 new ones that have to be recorded. These need to be located especially in the older areas where they are buried and need to be exposed in case of emergency shut-off. This is ongoing and will continue as the Village grows.*

6. B-box stamping in Ogden Falls.

*This will continue in the spring and will be completed next fiscal year.*

7. Continue the water meter MXU upgrades in the Village.

*This allows all meters to be read by the new radio read system. This is an ongoing process and is done as time allows from normal installs and scheduling conflicts with the residents.*

8. 1-Additional staff to obtain water license.

*This was completed.*

9. Maintain well house radium process per EPA standards.

*This is an ongoing daily process at all of the well sites.*

10. Safety committee to complete safety manual.

*The draft form of the manual is being reviewed and will be finalized for staff by May.*

11. Complete purchases of all capital items.

*All items were purchased for fiscal year 06/07*

12. Repair of inoperable b-boxes

*This is an ongoing process throughout the Village.*

13. Repair drain on Orchard Avenue.

*The French drain on Orchard Avenue in Windcrest was replaced this fall with a larger size structure by P.W. staff.*

**2007/2008 Water and Sewer Fund Objectives:**

1. Continue hydrant and curb painting.
2. Continue hydrant maintenance program.
3. Continue valve exercising.
4. Continue sanitary and storm line jetting maintenance.
5. Continue sanitary line root control program.
6. Continue b-box locating and mapping.
7. Continue old water valve replacements.
8. Install additional storm drainage on Orchard in Windcrest Subdv.
9. Continue water meter upgrades.
10. Maintain well house radium process per EPA standards.
11. Safety committee to complete final draft of safety manual for staff.
12. Complete purchases of any capital budgeted items.
13. Repair of inoperable b-boxes.
14. Paint Fox Chase water tower.
15. Start rehab/relining program of old manholes in Brookside subdivision.
16. Add 12" water main on Rt.34 between Orchard rd. & Arbor Lane.
17. Begin planning stages for P.W. facility addition-Prepare building plans for build out in fiscal year 08/09.

**Water Pumpage by Month for the Last Three Fiscal Years**

	<u>2006/2007</u>	<u>2005/2006</u>	<u>2004/2005</u>
May	80,134,000	78,179,000	56,530,000
June	96,075,000	120,632,000	66,518,000
July	101,354,000	81,088,000	77,861,000
August	94,758,000	75,674,000	76,540,000
September	73,892,000	90,286,000	84,840,000
October	68,883,000	78,758,000	67,017,000
November	60,678,000	60,222,000	51,288,000
December	60,753,000	57,607,000	62,988,000
January	61,549,000	58,279,000	54,479,000
February	57,215,000	53,181,000	48,518,000
March	67,210,000(est.)	61,309,000	55,110,000
April	81,945,000(est.)	71,733,000	61,269,000

**Water Bill Accounts on a Bi-Monthly Basis for the Last Three Fiscal Years**

	<u>2006/2007</u>	<u>2005/2006</u>	<u>2004/2005</u>
May	8,838	7,810	6,867
July	9,021	8,028	6,997
September	9,161	8,131	7,280
November	9,336	8,324	7,361
January	9,421	8,521	7,525
March	9,635(est.)	8,735	7,637

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**WATER AND SEWER FUND REVENUE SUMMARY**

<b><u>REVENUE</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Charges for Service</b>					
Water	2,667,625	3,140,680	3,020,516	3,191,798	2%
Sewer Maintenance	1,183,874	1,366,962	1,208,082	1,313,364	-4%
Water Tap on Fees	2,320,815	2,534,408	2,427,174	3,175,000	25%
MXU Fees	400,500	434,000	431,524	317,500	-27%
Water Line Contribution	1,100	2,000	2,000	2,000	0%
Sewer Line Contribution	1,777	3,000	1,000	1,500	-50%
Meter Sales	11,560	22,000	3,000	3,000	-86%
Inspections/Observations	77,851	60,000	53,364	68,383	14%
Consumption Reports	14,244	15,000	15,785	16,000	7%
<b>Permits</b>	840	750	750	750	0%
<b>Interest</b>	121,964	123,583	163,939	181,327	47%
<b>Miscellaneous</b>	<u>0</u>	<u>0</u>	<u>10,150</u>	<u>10,000</u>	100%
<b>TOTAL REVENUE</b>	<b>6,802,150</b>	<b>7,702,383</b>	<b>7,337,284</b>	<b>8,280,622</b>	<b>8%</b>
<b><u>Net Income(Loss)</u></b>	<b>1,737,631</b>	<b>2,057,665</b>	<b>1,942,068</b>	<b>1,827,183</b>	<b>-11%</b>

**STATEMENT OF CASH FLOWS**

**Other Financing Sources**

Developer Contribution	2,404,987	0	455,487	0
Bond Proceeds	0	0	1,438,300	3,500,000
Major Capital Outlay	(7,584,642)	(2,550,574)	(2,678,424)	(4,740,000)
Debt Principal	(733,873)	(840,300)	(800,818)	(936,907)
Depreciation	1,043,207	1,106,363	<u>1,106,363</u>	<u>1,216,999</u>
Cash Flow			1,462,976	867,275
<b><u>Beginning Net Cash</u></b>			3,590,774	5,053,750
<b><u>Ending Net Cash</u></b>			5,053,750	5,921,025

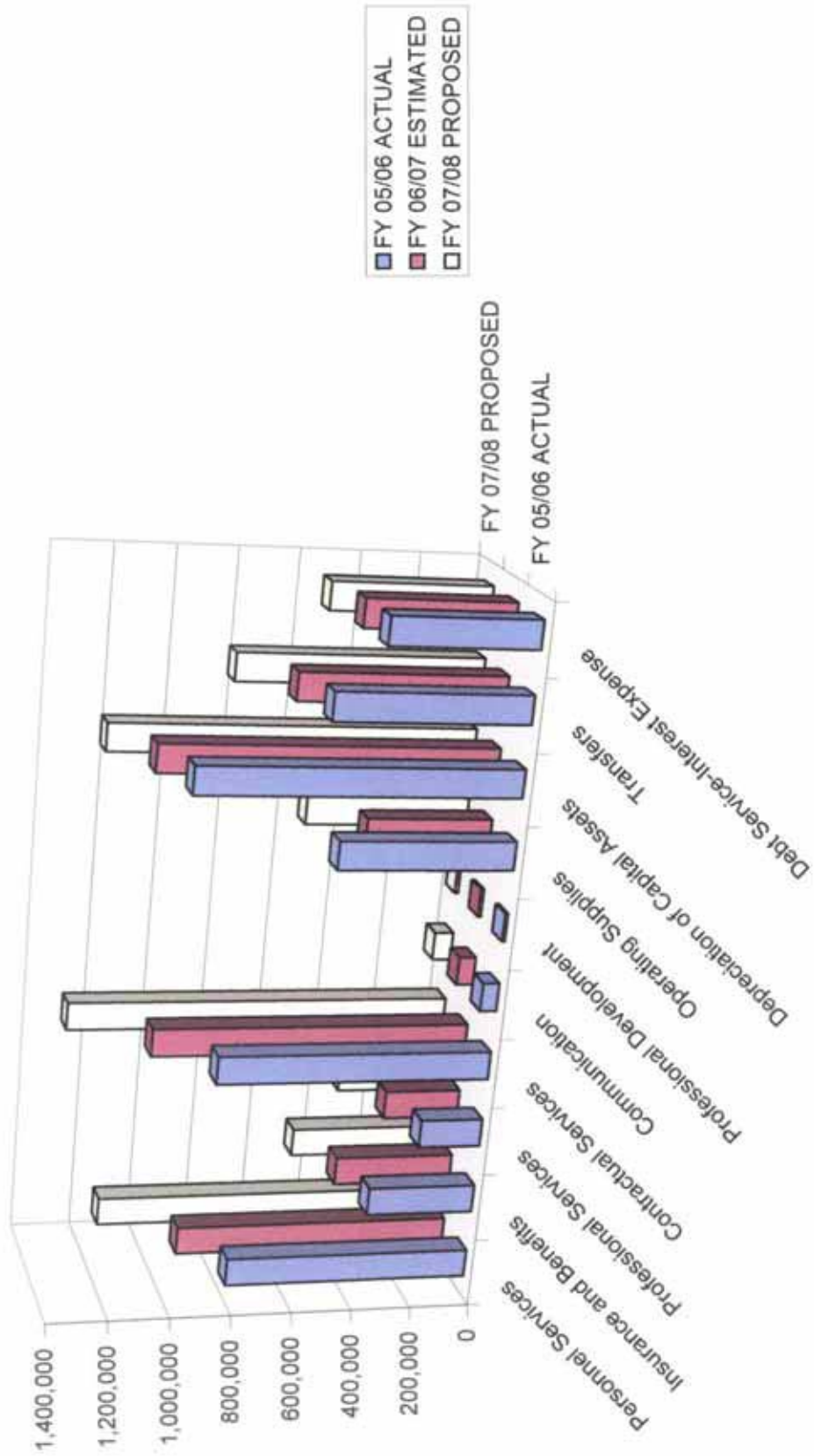
**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**WATER AND SEWER FUND EXPENSE SUMMARY**

<b><u>EXPENSES</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b><u>PERCENT</u></b> <b><u>CHANGE</u></b>
<b>Personnel Services</b>					
Salaries Full-Time	728,267	879,809	840,853	1,038,969	18%
Salaries Part-Time	32,547	55,700	35,980	55,700	0%
Overtime	40,852	35,000	35,000	35,000	0%
Stipends	<u>7,151</u>	<u>10,000</u>	<u>9,350</u>	<u>10,000</u>	0%
<b>Total Personnel Services</b>	<b>808,817</b>	<b>980,509</b>	<b>921,183</b>	<b>1,139,669</b>	<b>16%</b>
<b>Insurance and Benefits</b>	358,029	432,497	401,776	486,633	13%
<b>Professional Services</b>	206,889	285,285	255,215	345,529	21%
<b>Contractual Services</b>	894,187	1,092,850	1,054,165	1,285,227	18%
<b>Communication</b>	53,721	59,000	55,500	63,000	7%
<b>Professional Development</b>	9,252	9,000	10,000	11,000	22%
<b>Operating Supplies</b>	572,400	503,000	414,800	548,305	9%
<b>Depreciation of Capital Assets</b>	1,043,207	1,106,363	1,106,363	1,216,999	10%
<b>Transfers</b>	634,461	683,079	683,079	821,509	20%
<b>Debt Service-Interest Expense</b>	<u>483,556</u>	<u>493,135</u>	<u>493,135</u>	<u>535,568</u>	9%
<b>TOTAL EXPENSES</b>	<b>5,064,519</b>	<b>5,644,718</b>	<b>5,395,216</b>	<b>6,453,439</b>	<b>14%</b>



Village of Oswego  
Water & Sewer Fund Expenses



**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**Water and Sewer Fund**

**OPERATION AND MAINTENANCE**

**05-00**

**Personnel Services**

50-6210	Salaries, Full-Time	1,038,969
50-6222	Salaries, Part-Time	55,700
50-6225	Stipends	6,500
50-6230	Overtime	35,000
50-6250	Meeting Stipend	<u>3,500</u>
<b>Total Personnel Services</b>		<b>1,139,669</b>

**Insurance and Benefits**

51-6310	FICA	79,294
51-6315	IMRF	99,940
51-6330	Health Insurance	280,509
51-6335	Dental Insurance	21,616
51-6336	Vision Insurance	<u>5,274</u>
<b>Total Insurance and Benefits</b>		<b>486,633</b>

**Professional Services**

52-6480	Engineering Expense	
	Consulting engineers for water study, sanitary capacity problems, etc.	150,000
	Water Model Update	<u>50,000</u>
	Total Engineering Expense	200,000
52-6520	Legal Services	50,000
	Consultation with Village, or others, attorneys	
52-6530	Miscellaneous Professional Services	
	Outsourcing of water bill printing	19,000
	Kendall County Ground Water Study	13,129
	Drug Screens	2,500

	NPDES Phase II Year 3 Fees	50,000	
	Miscellaneous	<u>8,500</u>	
	Total Miscellaneous Professional Services		93,129
52-8220	Registrar/Paying Agent Fees		<u>2,400</u>
	Fees for all Water and Sewer related debt		
	<b>Total Professional Services</b>		<b>345,529</b>

**Contractual Services**

53-6500	General Insurance		41,727
	Illinois Municipal League Liability Insurance; life insurance		
53-6555	Rental Expense		5,000
	Rental of equipment for water main breaks, water or sewer line repair. Air compressors, skid loaders, etc.		
53-6585	Uniform Service		8,000
	Uniform rental service for Public Works staff		
53-6586	Water Inspections		20,000
	Water installation inspections performed by a licensed plumber		
53-6595	Water Analysis		20,000
	Water sampling in the Village that is done in-house		
53-6606	J.U.L.I.E.		15,000
	Underground utility location services		
53-6770	Pumping Expense, Electricity		500,000
	Electricity expense for wells 3, 4, 6, 7, 8, 9 and 10		
53-6820	Utilities		10,000
53-7310	Maintenance: Building		13,500
	Maintenance on well houses and lift stations		
	Security system fees		
53-7315	Maintenance: Equipment		40,000
	Maintenance and repair to public works vehicles or equipment associated with water and sewer		
53-7365	Maintenance: Safety Equipment		2,000
	Safety equipment for the chlorine rooms at the Village wells		

53-7375	Maintenance; Garage Maintenance at the old Public Works garage	3,000
53-7380	Maintenance; Wells Maintenance and chemicals for wells 3, 4, 6, 7, 8, 9 and 10	140,000
53-7390	Maintenance; Sewer Main Maintenance on all Village sewer lines including lift stations, televising lines, lift stat upgrades and jetting lines	75,000
53-7395	Maintenance; Booster Stations Maintenance on two Village booster and six pressure reducing stations	1,000
53-7400	Maintenance; Water Meters Maintenance on any water meter in the Village	5,000
53-7405	Maintenance; Pumps Maintenance on pumps used in water main breaks	1,000
53-7410	Maintenance; Water Tower Maintenance on the Village water towers and supplies, such as light bulbs and cathodic protection	5,000
53-7415	Maintenance; Water Main Maintenance on all Village water mains including all necessary parts	25,000
53-7420	Maintenance; Fire Hydrants Purchase of new fire hydrants and maintenance of existing hydrants	10,000
53-7425	Maintenance; Radium Removal Operation of the radium removal equipment	<u>345,000</u>
	<b>Total Contractual Services</b>	<b>1,285,227</b>

**Communication**

54-6550	Printing Expense Printing of water bill forms	14,000
54-6715	Advertising, Bids and Records Advertising and bid award documents for water or sewer projects	2,000
54-6765	Postage and Freight Postage for water bills; EPA mandated consumer confidence report	30,000

54-6785	Telephone Expense All telecommunication expenses that include auto dialers for the SCADA system and lift stations; Nextel phones	<u>17,000</u>
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<b>Total Communication</b>		<b>63,000</b>
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**Professional Development**

55-6566	Travel and Training Continuing education classes, local and out-of-state for water operators and staff.	10,000
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55-6730	Dues American Water Works Association Illinois Rural Water Association Illinois Arborist Association	<u>1,000</u>
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<b>Total Professional Development</b>		<b>11,000</b>
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**Operating Supplies**

56-6735	Gasoline Gasoline purchase for Public Works vehicles	35,000
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56-6740	Office Supplies Day-to-day office supplies; i.e. pens, pencils, computer paper stationary, keys, etc.	7,000
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56-6800	Equipment SCADA Computer Upgrades-Panel View well #4 5-8 Geodetic Control stations for GPS/GIS Community Water Supply Testing Fund Total Equipment	10,000 17,600 <u>12,705</u> 40,305
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56-6806	Miscellaneous	5,000
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56-7425	Maintenance, Supplies Inspector supplies; i.e. daily log books, file folders, maps	7,000
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56-7445	Tool Expense Tools for vehicles, fire hydrants or water shut-offs	2,000
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56-7835	Office Equipment Office equipment or furniture replacement	2,000
56-7840	Sidewalks	50,000
56-7892	Water Meter Supplies - Purchase of Meters for New Homes	<u>400,000</u>
	<b>Total Operating Supplies</b>	<b>548,305</b>

**Depreciation**

57-7898	Depreciation - Fixed Asset Depreciation	<u>1,216,999</u>
	<b>Total Depreciation</b>	<b>1,216,999</b>

**Transfers**

58-8500	Transfers Out	
	Payments in Lieu of Property Taxes	382,146
	Indirect Charge for Administrative Costs	<u>439,363</u>
		<u>821,509</u>
	<b>Total Transfers</b>	<b>821,509</b>

**Debt Service - Interest Expense**

59-7900	Water Revolving Loan-Principal (1997 and 2004 IEPA loans)*	414,917
59-7901	Water Revolving Loan-Interest (1997 and 2004 IEPA loans)	51,533
59-8203	1997B Bond Payment-Principal*	350,000
59-8204	1999 Bond Payment-Principal*	210,000
59-8206	2004B Bond Payment - Principal*	90,000
59-8207	2004 Refunding Bond Payment - Principal*	45,000
59-8208	2006 Bond Payment - Principal*	100,000
59-8213	1997B Bond Payment-Interest	98,875
59-8214	1999 Bond Payment-Interest	11,025
59-8215	2004B Bond Payment - Interest	92,263
59-8217	2004 Refunding Bond Payment - Interest	139,140
59-8218	2006 Bond Payment - Interest	67,732
59-8219	2007 Bond Payment - Interest	<u>75,000</u>
	<b>Total Debt Service - Interest Expense</b>	<b>535,568</b>

\* Principal repayment of debt is not included in expenses nor are they budgeted in concurrence with generally accepted accounting principles and are shown here for informational purposes.

**TOTAL WATER AND SEWER OPERATION AND MAINTENANCE** **6,453,439**

**Village of Oswego  
Fiscal Year '07/'08 Budget**

**Water and Sewer Fund**

**CAPITAL IMPROVEMENTS IN THE WATER AND SEWER FUND**

**Capital improvement items will be capitalized. As such, they are not budgeted nor are they included in expenses in concurrence with generally accepted accounting principles and are only shown here for informational purposes.**

**05-01**

**Capital Improvements**

57-7899	Vehicle Purchase		
	2-Single Axle Dump trucks w/plows & Spreaders	226,000	
	2-Small Pick up trucks-Meter Division	25,000	
	Pick-up Truck	31,000	
	One Ton Dump truck w/plow & spreader	<u>65,000</u>	
	Total Vehicle Purchase		347,000
57-7915	Utility Facility		3,500,000
	New Village Hall		
57-8050	Utility System Improvements		
	Well #3 Driveway installation	10,000	
	Manhole lining-Brookside Subdivision	10,000	
	7-A Kits-Well Houses	21,000	
	P.W. Facility Addition-Planning Stage-Build out 08	250,000	
	Fox Chase Tower painting	167,000	
	12" Watermain-Rt.34 from Orchard to Arbor Lane	<u>435,000</u>	
	Total Utility System Improvements		<u>893,000</u>
	<b>Total Capital Improvements</b>		<b>4,740,000</b>

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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**GARBAGE COLLECTION FUND**

**Garbage Collection Fund Overview**

Garbage, recycling and yard waste collection in residential areas are funded through the Garbage Collection Fund. Collection is accomplished by contract with Allied Waste, a waste hauling contractor. The Village has a flat-rate garbage pick-up program that allows for almost unlimited amounts of refuse and recyclables to be picked up each week. One "white item," meaning a major appliance such as a refrigerator or hot water heater, is allowed per pick-up.

In FY 2006/2007, Village residents paid \$13.98 per month for regular residential service and \$11.96 per month for senior citizen residential. These services are billed bi-monthly. The contractual obligation for the Village was \$13.48 per month for regular residential and \$11.46 per month for senior citizen residential. The \$0.50 amount added to each month's bill represents the Village's administrative portion of the cost for the Garbage Collection program. The price residents pay for yard waste stickers was \$1.77.

The Village's contract with Allied expires in June, 2007. At the time of the printing of this document, the Village had just approved a five-year contract with Allied Waste. Rates for residential service will be \$16.75, senior citizen rates will be \$12.95 and waste sticker rates will be \$2.05.

**2006/2007 Garbage Collection Fund Objectives: Status**

1. Continue to educate residents on the benefits of recycling.

*This is an ongoing objective.*

2. Complete the negotiations on a new waste hauling contract.

*This will carry forward into FY 2007-2008.*

3. Evaluate garbage rates in order to fully cover costs.

*This is an ongoing objective. It will occur each fiscal year.*

**2007/2008 Garbage Collection Fund Objectives**

1. Continue to educate residents on the benefits of recycling.
2. Evaluate garbage rates in order to fully cover costs.

**Garbage Collection Accounts on a Bi-Monthly Basis for the Last Three Fiscal Years**

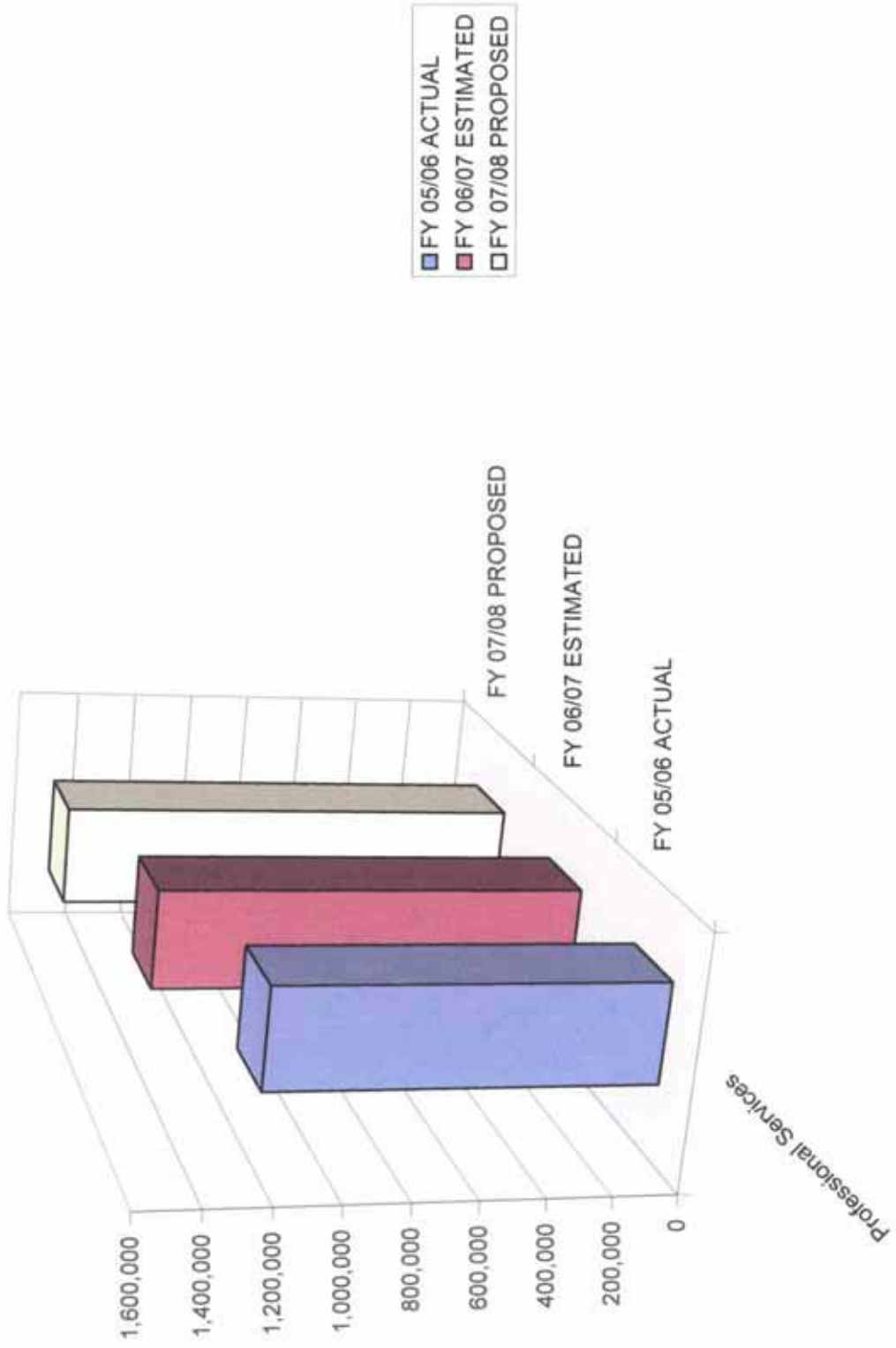
	<u>2006/2007</u>	<u>2005/2006</u>	<u>2004/2005</u>
May	8,259	7,251	6,375
July	8,389	7,414	6,497
September	8,503	7,602	6,693
November	8,625	7,788	6,843
January	8,744	7,968	6,993
March	8,769	8,064	7,121

**VILLAGE OF OSWEGO  
Fiscal Year '07/'08 Budget**

**GARBAGE COLLECTION FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 05/06</u></b>	<b><u>FY 06/07</u></b>	<b><u>FY 06/07</u></b>	<b><u>FY 07/08</u></b>	<b><u>PERCENT</u></b>
	<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b><u>ESTIMATED</u></b>	<b><u>PROPOSED</u></b>	<b><u>CHANGE</u></b>
<b>Charges for Services</b>					
Disposal Fees	1,235,678	1,381,912	1,374,621	1,521,018	10%
Waste Stickers and Bins	1,792	2,500	2,300	2,500	0%
<b>Interest</b>	<u>120</u>	<u>0</u>	<u>100</u>	<u>0</u>	0%
<b>TOTAL REVENUE</b>	<b>1,237,590</b>	<b>1,384,412</b>	<b>1,377,021</b>	<b>1,523,518</b>	<b>10%</b>
 <b><u>EXPENSES</u></b>					
<b>Professional Services</b>					
Disposal Service	<u>1,197,131</u>	<u>1,364,487</u>	<u>1,362,791</u>	<u>1,507,928</u>	11%
<b>TOTAL EXPENSES</b>	<b>1,197,131</b>	<b>1,364,487</b>	<b>1,362,791</b>	<b>1,507,928</b>	<b>11%</b>
<b>Net Income(Loss)</b>	<b>40,459</b>	<b>19,925</b>	<b>14,230</b>	<b>15,590</b>	<b>-22%</b>
 <b><u>Beginning Net Cash</u></b>			194,932	209,162	
<b><u>Ending Net Cash</u></b>			209,162	224,752	

**Village of Oswego  
Garbage Collection Fund Expenses**



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**CAPITAL IMPROVEMENT FUND**

**Capital Improvement Fund Overview**

The Capital Improvement Fund is used to account for all General Fund-related capital improvement projects undertaken by the Village. These projects are large in scope and are usually completed over several years, rather than one fiscal year.

Smaller capital purchases that are either routine in nature (meaning year-to-year) or non-routine (no specific time table) that are smaller in scope and are smaller in terms of dollars are accounted for in the General Fund. A few examples of the types of capital purchases that will not be expended from the Capital Improvement Fund include vehicle purchases, computer purchases, office equipment and furniture purchases.

There are three major capital projects the Village will be accounting for in Fiscal Year 2007/2008. The first started in Fiscal Year 2005/2006 and will continue for one additional fiscal year. This is the new Village Hall. This process began in Fiscal Year 2005/2006 with the architect fees for designing the building. This project is expected to cost about \$13 million and will also be paid from the Water and Sewer Fund.

The second project for FY 2007/2008 is the continuation of the Douglas Road widening project. \$4,000,000 is budgeted to start the project. The total estimated cost of this project is about \$12 million and is anticipated be done in FY 2008/2009.

The final project is the bridge scour repair work for several bridges in the Village. Road impact fees will fund this project which has a total cost of \$200,000.

**2006/2007 Capital Improvement Fund Objectives: Status**

1. Complete the accounting for the Town Center Renovation project.

*This has been completed successfully.*

2. Continue to properly account for the new Village Hall project.

*This has been done successfully and will continue throughout the life of the project.*

3. Properly account for the Douglas Road widening project.

*This has been done successfully and will continue throughout the life of the project.*

**2007/2008 Capital Improvement Fund Objectives**

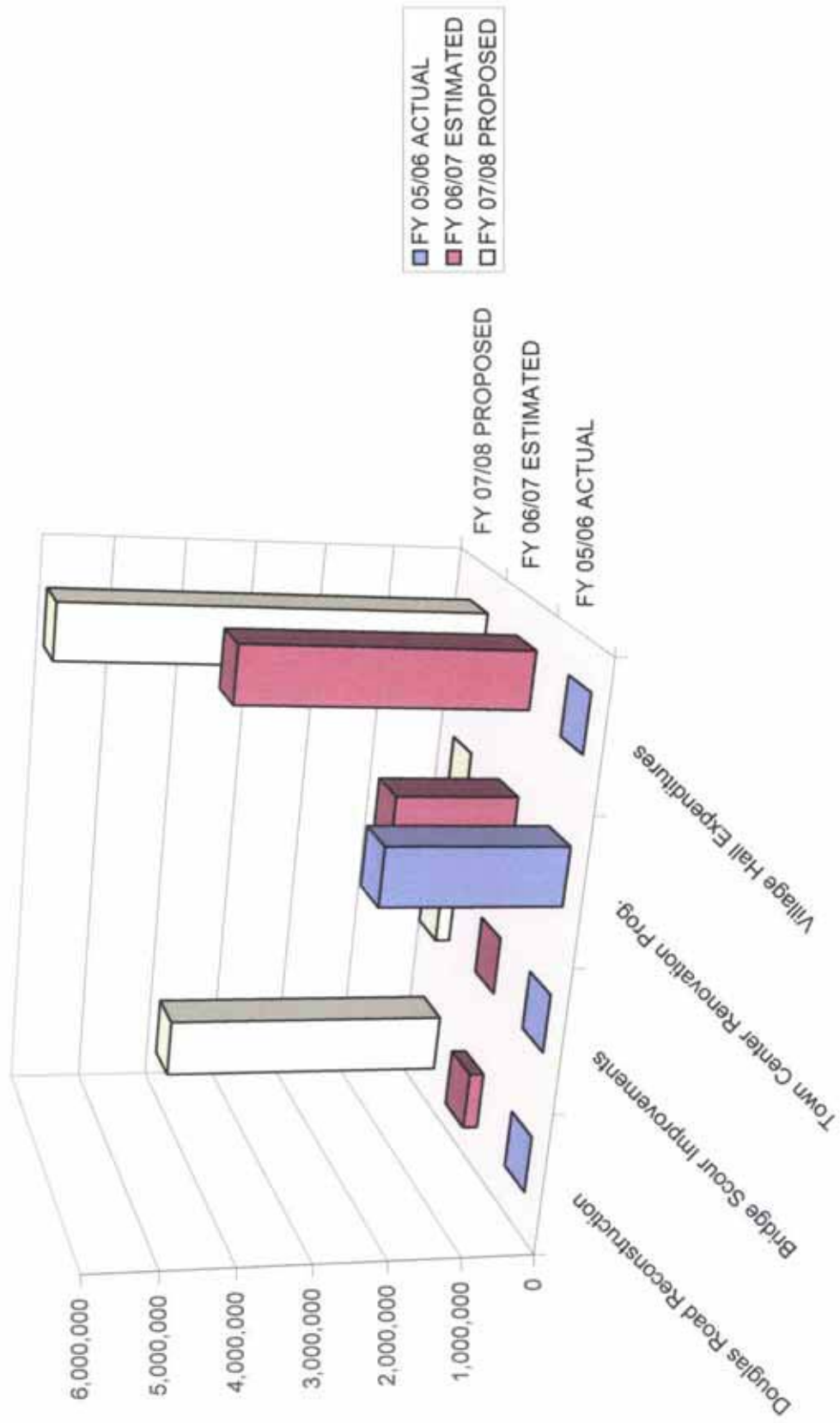
1. Complete the accounting for the new Village Hall project
2. Continue to properly account for the Douglas Road widening project.
3. Complete the accounting for the bridge scour repair project.

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**CAPITAL IMPROVEMENT FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 05/06</u></b>	<b><u>FY 06/07</u></b>	<b><u>FY 06/07</u></b>	<b><u>FY 07/08</u></b>	<b><u>PERCENT</u></b>
	<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b><u>ESTIMATED</u></b>	<b><u>PROPOSED</u></b>	<b><u>CHANGE</u></b>
Bond Proceeds	0	0	9,692,104	8,600,000	100%
Roadway Improvement Fees	0	0	240,000	231,138	100%
Grant Proceeds	0	0	0	3,400,000	100%
Interest	<u>73,687</u>	<u>225,000</u>	<u>400,671</u>	<u>225,000</u>	0%
<b>TOTAL REVENUE</b>	<b>73,687</b>	<b>225,000</b>	<b>10,332,775</b>	<b>12,456,138</b>	<b>5436%</b>
<b><u>EXPENDITURES</u></b>					
<b>Capital Improvements</b>					
Douglas Road Reconstruction	0	500,000	200,000	4,000,000	700%
Bridge Scour Improvements	0	0	0	200,000	100%
Town Center Renovation Prog.	2,440,790	2,764,388	1,700,000	0	-100%
Village Hall Expenditures	<u>0</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>	50%
<b>TOTAL EXPENDITURES</b>	<b>2,440,790</b>	<b>7,264,388</b>	<b>5,900,000</b>	<b>10,200,000</b>	<b>40%</b>
<b>Net Income(Loss)</b>	<b>(2,367,103)</b>	<b>(7,039,388)</b>	<b>4,432,775</b>	<b>2,256,138</b>	
<b><u>Beginning Fund Balance</u></b>			601,901	5,034,676	
<b><u>Ending Fund Balance</u></b>			5,034,676	7,290,814	

Village of Oswego  
Capital Improvement Fund Expenditures





**Village of Oswego  
Fiscal Year '07/'08 Budget**

**DEBT SERVICE FUND**

**Debt Service Fund Overview**

The Debt Service Fund is used to account for all General Fund-related, general obligation debt of the Village. The other debt of the Village is serviced within the appropriate originating fund.

The following schedule details the outstanding debt for the Village of Oswego for the past five fiscal years:

<u>Fiscal Year</u>	<u>Outstanding Debt</u>
01/02	10,012,331
02/03	9,276,614
03/04	8,539,714
04/05	15,271,377
05/06	14,432,504

The April 30, 2006 outstanding debt is related to the following funds:

Debt Service-General Fund	3,185,000
Water and Sewer Fund	<u>11,247,504</u>
	<b>14,432,504</b>

The following schedule is a breakdown of outstanding debt by issuance:

Series 1997B	2,650,000
Series 1999	410,000
Series 2004	3,920,000
Series 2004A	3,185,000
Series 2004B	2,415,000
I.E.P.A. Loan	<u>1,852,504</u>
	<b>14,432,504</b>

The above balances are as of April 30, 2006, the last audited amounts for the Village. The Village of Oswego had two debt issuances in Fiscal Year 2006/2007. The first was for the Water and Sewer Fund for the completion of the Town Center Renovation project. This issuance totaled \$1,585,000 and it will be repaid over a fifteen year period. The second was for the general infrastructure portion of the final phase of the Town Center Renovation project and for the new Village Hall. This issuance totaled \$9,970,000: \$8,500,000 for the new Village Hall and \$1,470,000 for the completion of the Town

Center Renovation project. This second bond issue will be repaid over a twenty year period.

Taking into account the debt issuances that occurred in Fiscal Year 2006/2007, the following schedule shows all future debt service requirements for the Village:

<u>Fiscal Year</u>	<u>Bonds</u>	<u>I.E.P.A. Loans</u>	<u>Interest</u>	<u>Total</u>
2008	1,295,000	85,543	1,009,169	2,389,712
2009	1,325,000	87,881	950,763	2,363,644
2010	1,370,000	90,283	894,599	2,354,881
2011	1,425,000	92,751	836,143	2,353,894
2012	1,480,000	95,286	774,715	2,350,001
2013	1,560,000	97,892	708,990	2,366,881
2014	1,125,000	100,569	651,678	1,877,246
2015	1,185,000	103,319	605,012	1,893,331
2016	1,240,000	106,145	555,528	1,901,674
2017	1,270,000	109,049	502,629	1,881,679
2018	1,310,000	49,419	448,622	1,808,041
2019	1,365,000	50,662	392,942	1,808,603
2020	1,430,000	51,936	334,472	1,816,408
2021	1,095,000	53,243	272,473	1,420,716
2022	985,000	54,582	223,615	1,263,197
2023	1,045,000	55,955	178,954	1,279,910
2024	1,075,000	57,363	131,298	1,263,661
2025	1,100,000	58,806	81,842	1,240,648
2026	700,000	0	31,500	731,500
<b>Totals</b>	<b>\$ 23,380,000</b>	<b>\$ 1,400,684</b>	<b>\$ 9,584,944</b>	<b>\$ 34,365,627</b>

The following is the Village of Oswego's audited legal debt limit (the total legal amount of general obligation debt the Village can have outstanding) and legal debt margin (the remaining amount of the debt limit remaining after existing debt is subtracted) as of April 30, 2006.

**April 30, 2006**

Total Equalized Assessed Valuation (EAV) - 2005 Tax Year \$ 615,025,070

**Legal Debt Limit**

**Debt Limitation – 8.625% of EAV \$ 53,045,912**

Debt Applicable to Limitation:

General Obligation Bonds, Series 2004A	<u>3,185,000</u>	
Total Debt Applicable to Limitation		<u>3,185,000</u>

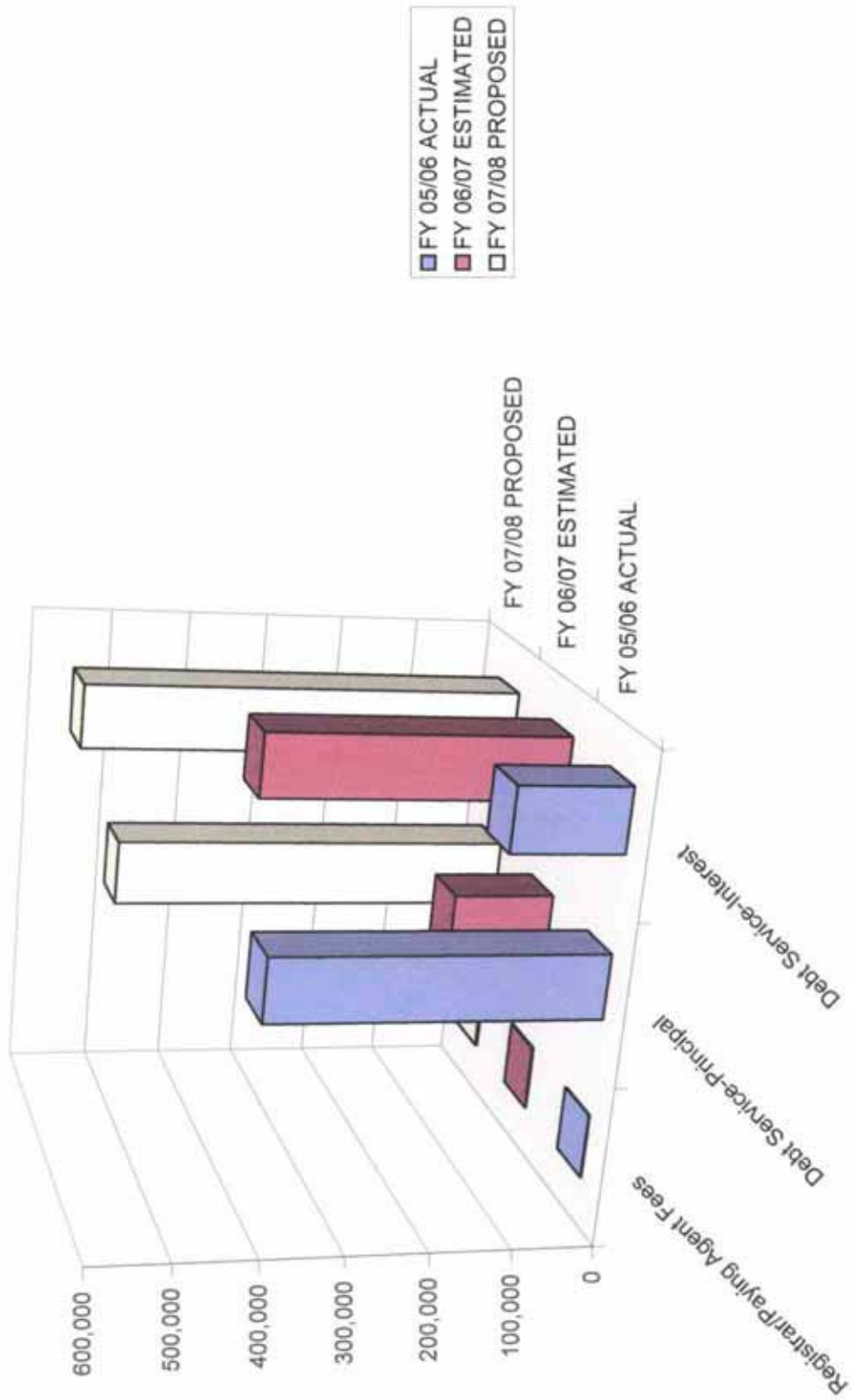
**Legal Debt Margin \$ 49,860,912**

**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**DEBT SERVICE FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
Property Taxes	76,916	0	0	0	0%
Sales Taxes	465,291	353,296	353,296	261,933	-26%
Transfers from Other Funds	600,000	800,000	800,000	350,000	-56%
Interest	<u>4,790</u>	<u>250</u>	<u>29,003</u>	<u>10,000</u>	3900%
<b>TOTAL REVENUE</b>	<b>1,146,997</b>	<b>1,153,546</b>	<b>1,182,299</b>	<b>621,933</b>	<b>-46%</b>
<b><u>EXPENDITURES</u></b>					
Registrar/Paying Agent Fees	1,200	1,800	1,800	2,400	33%
Debt Service-Principal	405,000	394,699	125,000	500,000	27%
Debt Service-Interest	<u>138,441</u>	<u>517,581</u>	<u>378,275</u>	<u>555,028</u>	7%
<b>TOTAL EXPENDITURES</b>	<b>544,641</b>	<b>914,080</b>	<b>505,075</b>	<b>1,057,428</b>	<b>16%</b>
<b>Net Income(Loss)</b>	<b>602,356</b>	<b>239,466</b>	<b>677,224</b>	<b>(435,495)</b>	
<b><u>Beginning Fund Balance</u></b>			621,446	1,298,670	
<b><u>Ending Fund Balance</u></b>			1,298,670	863,175	

Village of Oswego  
Debt Service Fund Expenditures



**Village of Oswego  
Fiscal Year '07/'08 Budget**

**Debt Service Fund**

**20-00**

**Professional Services**

52-8220 Registrar/Paying Agent Fees 2,400

**Total Professional Services 2,400**

**Debt Service**

59-8200 Debt Principal

2004A 125.000

2006 - Village Hall 319.725

2006 - Town Center 55,275

Total Debt Principal 500.000

59-8201 Bond Payments-Interest

2004A 120.921

2006 - Village Hall 370.119

2006 - Town Center 63.987

Total Bond Payments-Interest 555,028

**Total Debt Service 1,055,028**

**TOTAL DEBT SERVICE 1,057,428**

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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**POLICE PENSION FUND**

**Police Pension Fund Overview**

The Police Pension Fund does not constitute a department in the same way that Building and Zoning is a department. It is, more realistically, a cost center in which revenues and expenditures for current, non-current and retired police officers are reported.

The Police Pension Fund is administered by a Board whose composition is determined by State Statute. The Finance Director for the Village serves as the Treasurer for the Fund. As such, the Treasurer has the obligation to safeguard the assets of the Fund and ensure the funds are invested in accordance with State guidelines.

An actuarial study determines the required funding level for the Police Pension Fund. This study is done by a private actuary in order to provide required financial reporting information that the State of Illinois actuary study does not provide. The actuarial report for the Fiscal Year ended April 30, 2006 showed that the Police Pension Fund had a funding level of 51.4% and a return on its investment of 4.98% for the fiscal year.

As of April 30, 2007 the Police Pension Fund has only three retirees. It is anticipated that this Fund will have minimal additional retirement obligations for the near future, thus enabling the funding level to grow to a healthier amount.

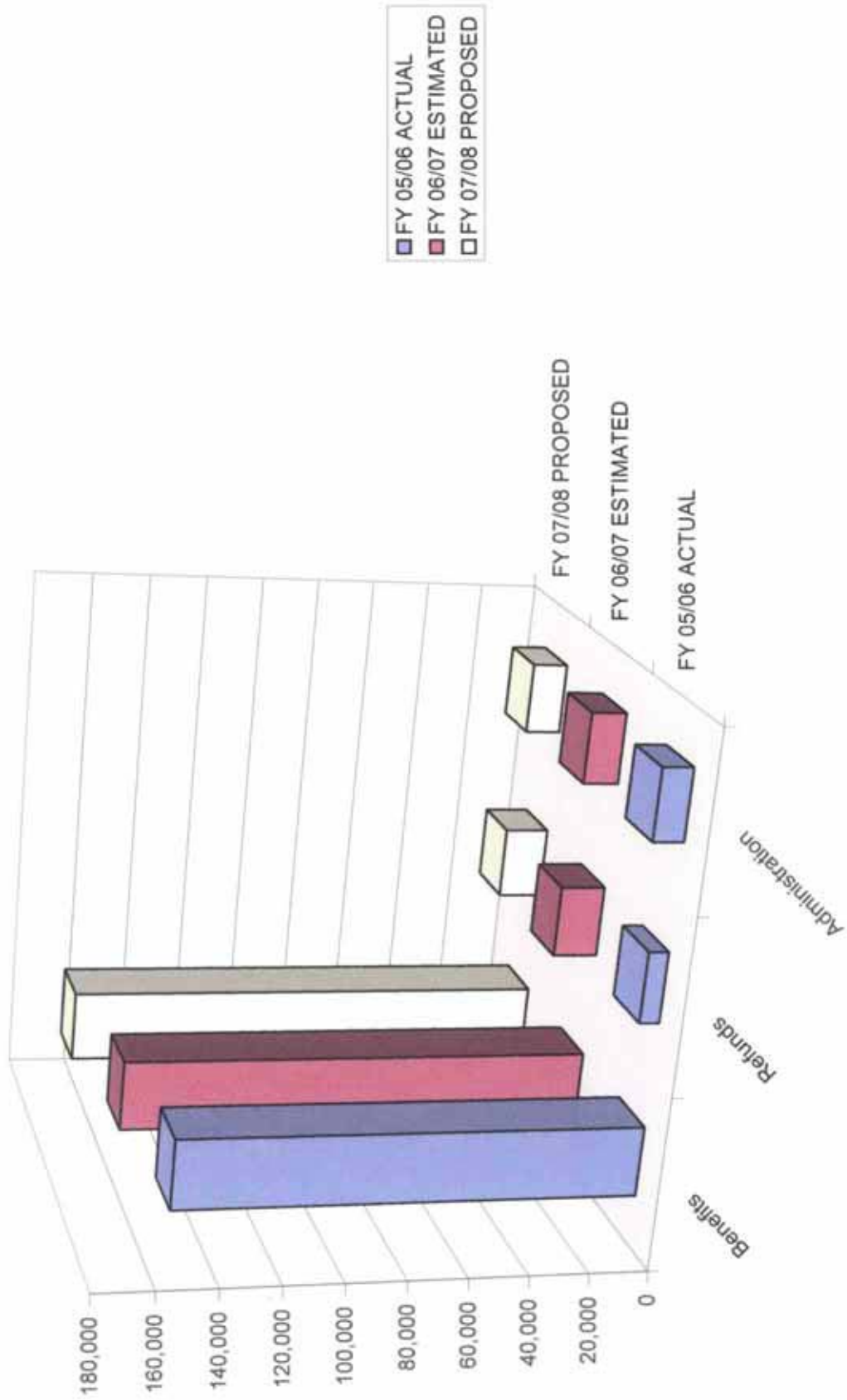
**VILLAGE OF OSWEGO**  
**Fiscal Year '07/'08 Budget**

**POLICE PENSION FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 05/06</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 06/07</u></b> <b><u>BUDGET</u></b>	<b><u>FY 06/07</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 07/08</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
Employer Contribution	428,031	638,206	630,600	726,606	14%
Property Taxes					
Employee Contributions	277,124	369,764	315,000	349,840	-5%
Interest Income	<u>246,153</u>	<u>300,000</u>	<u>250,000</u>	<u>300,000</u>	0%
<b>TOTAL REVENUES</b>	<b>951,308</b>	<b>1,307,970</b>	<b>1,195,600</b>	<b>1,376,446</b>	<b>5%</b>
<b><u>EXPENDITURES</u></b>					
Benefits	153,138	162,322	158,448	164,786	2%
Refunds	6,665	15,000	15,000	15,000	0%
Administration	<u>10,406</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>170,209</b>	<b>189,322</b>	<b>185,448</b>	<b>191,786</b>	<b>1%</b>
<b>Beginning Net Assets</b>			<b>5,459,950</b>	<b>6,470,102</b>	
<b>Ending Net Assets</b>			<b>6,470,102</b>	<b>7,654,762</b>	



Village of Oswego  
Police Pension Fund Expenditures



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**Village of Oswego  
Fiscal Year '07/'08 Budget**

**GLOSSARY OF TERMS**

<b>ACCOUNT</b>	A term used to identify an individual asset, liability, expenditure control, revenue control or fund balance.
<b>ACCOUNTING SYSTEM</b>	The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, fund types, balanced account groups, or organizational components.
<b>ACTIVITY</b>	The smallest unit of budgetary accountability and control which encompasses specific and distinguishable lines of work performed by an organizational unit for the purpose of accomplishing a function for which the Village is responsible.
<b>AICPA</b>	American Institute of Certified Public Accountants
<b>APA</b>	American Planning Association
<b>ASSETS</b>	Property owned by a government which has a monetary value.
<b>ASSESSED VALUATION</b>	A valuation set upon real estate or other property by the County Assessor as a basis for levying taxes.
<b>BOCA</b>	Building Officials Code Administrators
<b>BOND</b>	A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.
<b>BONDED DEBT</b>	That portion of indebtedness represented by outstanding bonds.
<b>BUDGET</b>	A one year financial document embodying an estimate of proposed revenue and expenditures for the year. The Village is required by State Statute to approve a budget, and the approved budget sets the legal spending limits of the Village. It is the primary means by which most

of the expenditures and service levels of the Village are controlled.

**BUDGET AMENDMENT**

A legal procedure utilized by the Village staff and Village Board to revise the budget.

**BUDGET DOCUMENT**

The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the Village Board.

**BUDGET MESSAGE**

A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.

**BUDGET ORDINANCE**

The official enactment, by the Village Board to legally authorize Village staff to obligate and expend resources.

**BUDGETARY CONTROL**

The control of management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**CAFR**

Comprehensive Annual Financial Report or Certificate of Achievement in Financial Reporting

**CALEA**

Commission for Accreditation on Law Enforcement Agencies

**CAPITAL ASSETS**

Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

**CAPITAL BUDGET**

A plan of proposed capital outlays and the means of financing them for the current fiscal period.

**CAPITAL OUTLAY/  
EXPENDITURE**

Expenditures which result in the acquisition of, or addition to, fixed assets.

**CAPITAL IMPROVEMENT  
FUND**

A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.

**CAPITAL PROJECTS FUND**

A fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

<b>CHART OF ACCOUNTS</b>	The classification system used by the Village to organize the accounting for various funds.
<b>COMMISSARY EXPENSES</b>	Consumable items used by Village departments. Examples include office supplies, replacement parts for equipment, and gasoline.
<b>CONTINGENCY</b>	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
<b>CONTRACTUAL SERVICES</b>	Services rendered to Village departments and agencies by private firms, individuals, or other government agencies. Examples include utilities, insurance, and professional services.
<b>C.O.W. or COW</b>	Committee of the Whole
<b>CSO</b>	Community Service Officer
<b>DARE</b>	Drug Abuse Resistance Education
<b>DEBT SERVICE FUND</b>	A fund established to finance and account for the accumulations of resources for, and the payment of, general long-term debt principal and interest.
<b>DEBT SERVICE REQUIREMENTS</b>	The amounts of revenue which must be provided for a debt service fund so that all principal and interest payments can be made in full and on schedule.
<b>DEFICIT</b>	(1) The excess of an entity's liabilities over its assets (See Fund Balance). (2) The excess of expenditures or expenses over revenues during a single accounting period.
<b>DEPARTMENT</b>	A major administrative organizational unit of the Village which indicates overall management responsibility for one or more activities.
<b>DEPRECIATION</b>	(1) Expiration in service life of fixed assets, other than wasting assets, attributable to wear and tear through use and lapse of time, obsolescence, inadequacy, or the physical or functional cause. (2) The portion of the cost of a fixed asset charged as an expense during a particular period. NOTE: The cost of such asset prorated over the estimated service life of such asset and each period is charged with part of such cost so that ultimately the entire cost of the asset is charged off as an expense.

<b>DISBURSEMENT</b>	Payments for goods and services in cash or by check.
<b>EAV</b>	Equalized Assessed Valuation
<b>ECO</b>	Environmentally Conscious Oswegoans
<b>ENTERPRISE FUND</b>	A fund established to finance and account for operations (1) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Examples of enterprise funds are those for utilities.
<b>ESTIMATED REVENUE</b>	The amount of projected revenue to be collected during the fiscal year. The amount of revenue budgeted is the amount approved by the Village Board.
<b>EXPENDITURES</b>	If the accounts are kept on the accrual basis, this term designates total charges incurred, whether paid or unpaid, including expenses, provision for retirement of debt not reported as a liability of the fund from which retired, and capital outlays. If they are kept on the cash basis, the term covers only actual disbursement for these purposes.
<b>EXPENSES</b>	Charges incurred, whether paid or unpaid, for operation, maintenance and interest, and other charges which are presumed to benefit the current fiscal period.
<b>FICA</b>	Social Security and Medicare
<b>FIDUCIARY FUNDS</b>	Funds used to report assets held in a trustee or agency capacity for other and which, therefore, cannot be used to support the government's own programs.
<b>FISCAL YEAR</b>	A twelve-month period of time to which the annual budget applies and at the end of which a municipality determines its financial position and results of operations. The Village of Oswego has specified May 1 to April 30 as its fiscal year.

<b>FIXED ASSETS</b>	Assets of a long-term character in which the intent is to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
<b>FTE</b>	Full Time Equivalent
<b>FTO</b>	Field Training Officer
<b>FULL FAITH &amp; CREDIT</b>	A pledge of the general taxing power of the government to repay debt obligations (typically used in reference to bonds).
<b>FUND</b>	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
<b>FUND ACCOUNTS</b>	All accounts necessary to set forth the financial operations and financial conditions of a fund.
<b>FUND BALANCE GENERAL FUND</b>	The excess of a fund's assets over its liabilities and reserves. The fund that is available for any legal authorized purposes and which is therefore used to account for all revenues and all activities except those required to be accounted for in another fund. NOTE: The General Fund is used to finance the ordinary operations of a government unit.
<b>GASB</b>	Governmental Accounting Standards Board
<b>GENERAL OBLIGATION BONDS</b>	Bonds for whose payments the full faith and credit of the issuing body are pledged. More commonly, but not necessarily, general obligation bonds are considered to be those from taxes and other general revenues.
<b>GFOA</b>	Government Finance Officers Association
<b>GIS</b>	Geographic Information System
<b>GLTD</b>	General Long-term Debt
<b>GOAL</b>	A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless: that is, it is not concerned with a specific achievement in a given period.

<b>GOVERNMENTAL FUNDS</b>	Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.
<b>GPS</b>	Global Positioning System
<b>GRANT</b>	A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function, but it is sometimes also for general purposes.
<b>GREAT GRANT</b>	Gang Resistance Education And Training federal grant
<b>HOA</b>	Home Owners Association
<b>IAMMA</b>	Illinois Association of Municipal Management Assistants
<b>ICC</b>	International Code Council
<b>ICMA</b>	International City Managers Association
<b>IDOT</b>	Illinois Department of Transportation
<b>IEPA</b>	Illinois Environmental Protection Agency
<b>ILCMA</b>	Illinois City Managers Association
<b>IML</b>	Illinois Municipal League
<b>IMRF</b>	Illinois Municipal Retirement Fund - a retirement fund covering Illinois municipal employees
<b>INCOME</b>	This term is used in accounting for governmental enterprises and represents the excess of the revenues earned over the expenses incurred in carrying on particular phases of an enterprise's activities. As indicated elsewhere, the excess of the TOTAL revenues over the TOTAL expenses of the utility for a particular accounting period is called "net income."
<b>INTERFUND TRANSFERS</b>	Amounts transferred from one fund to another fund.
<b>IT</b>	Information Technology
<b>JULIE</b>	Joint Utility Locating Information for Excavators



<b>LAPP</b>	Local Agency Paving Project
<b>MFT</b>	Motor Fuel Tax
<b>MIS</b>	Management Information Systems
<b>MSI</b>	Municipal Software Incorporated
<b>NAHRO</b>	National Association of Human Rights Workers Organization
<b>NCBI</b>	National Coalition Building Institute
<b>NEMRT</b>	North East Multi-Regional Training
<b>NIPC</b>	Northeastern Illinois Planning Commission
<b>NPDES</b>	National Pollution Discharge Elimination System
<b>NPELRA</b>	National Public Employee Labor Relations Association
<b>OEDC</b>	Oswego Economic Development Corporation
<b>OPERATING BUDGET</b>	The portion of the budget that pertains to daily operations that provides the basic government services.
<b>ORDINANCE</b>	A formal legislative enactment by the governing board of a municipality.
<b>OSHA</b>	Occupational Safety Hazards Act
<b>PAAC</b>	Police Activities and Athletics Center
<b>PER CAPITA REVENUES</b>	Revenues received by the Village based upon its total population.
<b>PERSONNEL SERVICES</b>	Costs related to compensating Village employees, including salaries, wages and benefits.
<b>PROPERTY TAX</b>	Property taxes are levied on real property according to the property's valuation and the tax rate.
<b>PROPRIETARY FUNDS</b>	Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. There are two different types of proprietary funds: enterprise and internal service funds.

<b>RFP</b>	Request For Proposals
<b>RESERVE</b>	An account used to indicate that a portion of a fund balance is restricted for a specific purpose.
<b>RETAINED EARNINGS</b>	An equity account reflecting the accumulated earnings of the Village's enterprise funds.
<b>REVENUES</b>	Funds that the government receives as income.
<b>SCADA</b>	Supervisory Control and Data Acquisition Computerized system of monitoring water flow and levels at the water plant.
<b>SINKING FUND</b>	A term used to express the amount of funds accumulated to pay for a specific purpose. Usually associated with debt or capital projects.
<b>SPECIAL REVENUE FUNDS</b>	A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
<b>SRT</b>	Special Response Team
<b>TAXES</b>	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.
<b>TAX LEVY</b>	The total amount to be raised by general property taxes for operating and debt service purposes specified in the Tax Levy Ordinance.
<b>TAX LEVY ORDINANCE</b>	An ordinance by means of which taxes are levied.

Note – some definitions in this glossary were taken from the GFOA publication *Governmental Accounting, Auditing and Financial Reporting: Using the GASB 34 Model*, 2005 edition.