



VILLAGE OF OSWEGO, ILLINOIS

FISCAL YEAR 2008/2009 BUDGET

Village of Oswego, Illinois

Principal Officials

Fiscal Year 2008/2009 Budget

Legislature

Brian LeClercq, Village President

Board of Trustees

Braden G. Rock

Lori West

Tony Giles

Terry Michels

David Schlaker

Judy Sollinger

Jeanne Hoch, Village Clerk

Administrative

Gary Adams, Village Administrator

Mark A. Pries, Finance Director/Budget Officer

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**Village of Oswego
Illinois**

For the Fiscal Year Beginning

May 1, 2007

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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, 2007. 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.

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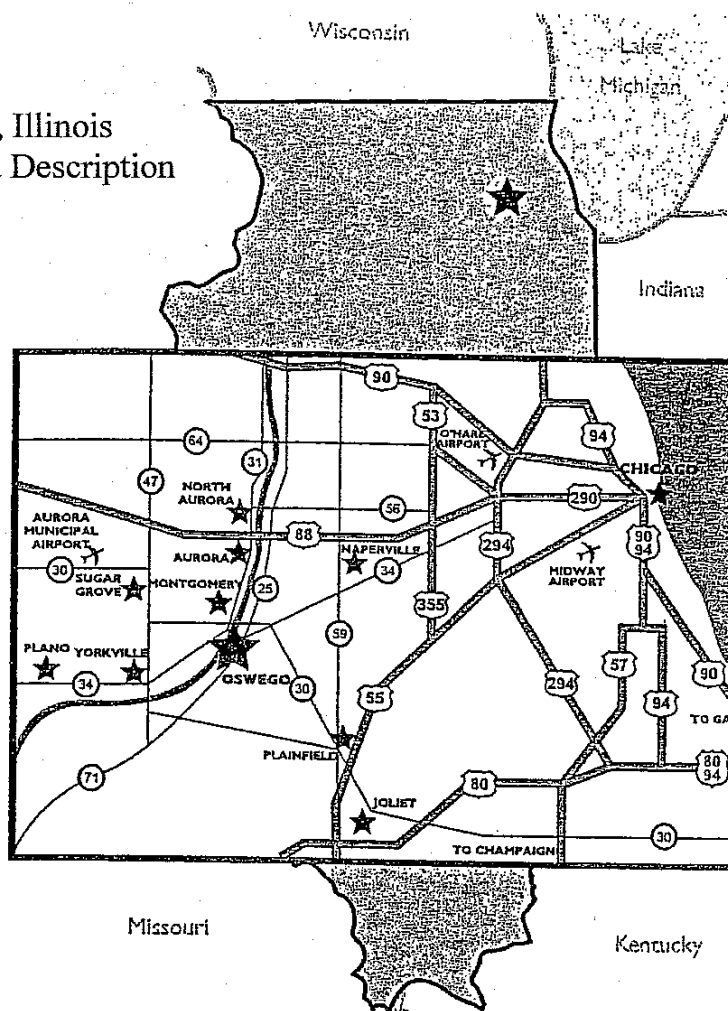
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Oswego, Illinois Location and Description

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 scheduled to begin in the spring of 2008. Village staff believes the current population to be between 27,500 and 28,500. The Village is projected to have a total population of 50,000 by the year 2030. The incorporated land area of the Village is approximately 14.5 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 four 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 fourth quarter of 2007, approximately 205 homes in the Village were sold through the Multiple Listing Service (MLS). The median purchase price was \$260,000. This median price is down from \$285,000 in the third quarter of 2006.

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. This fact continues for Oswego in 2008. 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 experienced in the Village as a whole. Education, health and social services are 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 four years from the higher levels seen at the beginning of the decade. 2007 saw the unemployment level decrease to 3.8% from 4.6% in 2006, 4.8% in 2005 and 7.6% in 2004. This is a strong indication that the financial stability of the Village has improved. However, due to decline in the U.S. economy over the last year, staff expects the unemployment rate for the Village to increase. 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 27,500 and 28,500 in early 2008.

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: the 300-acre Kendall Point Business Center, and the 130-acre Stonehill Business Park. 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 a blend of commercial and manufacturing. The largest business in the Highland Business Center is Anfinen Assembly, which is a plastic injection molding company. Anfinen relocated their manufacturing and headquarters into a 112,000 sq. ft. facility in 2004. This year, Anfinen completed a 50,000 sq. ft. expansion. 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 200 acres.

There are several fully stabilized 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 tenants are Jewel-Osco and the Kendall 10 Theatre. Mason Square encompasses 44 acres, and includes 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 large commercial developments whose impact on the Village of Oswego started in FY 2006/2007 but will truly be felt in the years to come. The largest, Prairie Market, includes five anchor stores: a 203,000 square foot Wal-Mart Supercenter, Kohl's, Lowe's, Dick's Sporting Goods and Best Buy. These anchors opened between October 2006 and August 2007. Several restaurants have opened, including TGI Friday's, Famous Dave's, and Olive Garden. The next largest development, Centennial Plaza, includes a 220,000 square foot Meijer's retail store which opened in May, 2007. There are several large retail stores in each of these developments, including Circuit City, Bed Bath & Beyond, Michael's and Old Navy. Buffalo Wild Wings opened in late 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.

A 400,000 sq. ft. lifestyle center, called the Streets of Oswego, has been proposed at the southwest corner of Route 34 and Ogden Falls Blvd. The center would include a

movie theatre, a bookstore, and many upscale national retailers and restaurants. The developer, Continental Real Estate, is currently negotiating leases with prospective tenants.

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 is anchored by Jewel-Osco and Edward Health Center; both having opened in May 2008. Several out lots have been developed, including a Walgreens. 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. Two new commercial projects will begin in FY2008/2009: a five-acre site on Route 31 called the Studio Shop that will include an upscale restaurant; and a mixed-use project on the site of the former Alexander Lumber.

In addition, several office projects have started, including Farmington Lakes Office Campus, Kendall County's first office park, which will have 72,000 sq. ft. of leased space. The park is located on Douglas Road, just north of Mason Square.

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 will be moving from its current location in downtown Oswego on Main Street to just across the Fox River to its new location at the intersection of Routes 34 and 31 that will be ready in May, 2008. Planning for the 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. In FY 2007/2008, the Village finished its borrowing needs to complete the project as construction continued at a very good pace. The current cost estimate for the new Village Hall, including land acquisition is over \$12 million. The much needed additional space of the new Village Hall will allow the staffing needs of those Village departments located in the Village Hall to expand to meet service demands. However, the downturn in the economy will force the delay of making any additional hires for at least one year as there are not sufficient additional revenues in the FY 2008/2009 to hire new staff.

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. This facility is becoming very cramped as it was designed to accommodate a force for a population of 25,000, which the Village has surpassed. However, in FY 2006/2007, the Village Board determined the cost of renovating the current facility is not financially prudent and directed staff to start the process to research the process to construct a new facility. A space needs analysis was approved by the Village Board in 2007 to determine the size and other needs for the department and the results will be brought to the Board in early FY 2008/2009. Planning for the construction of the new facility continues in FY 2008/2009 with \$5.9 million in the Capital Improvement Fund. However, the space needs analysis has not yet been approved by the Village Board so the possibility exists that no expenses will be incurred in FY 2008/2009 for the construction of this facility. It is a part of prudent financial planning to show that the possibility to expend these funds exists, not the absolute certainty of expending funds.

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. The Village Board authorized in early 2008 a space needs analysis to determine the size, location and layout of the expansion. In fact, at the pace the department is growing and 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. However, due to financial constraints, the expansion of the facility must be put off until at least FY 2009/2010.

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 budget 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 10,000 water accounts but this amount grows every month, especially during the warm weather months. Average daily consumption is approximately 2.56 million gallons, up almost 60,000 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, Executive Assistant, 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. The Village of Oswego contributes \$85,000 annually to the OEDC and works very closely with it to attract and retain business to Oswego.

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 07/08 enrollment population is 14,731 students.

Waubensee 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 157,722 volumes and resources and estimated that there were 252,742 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 73 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 Special Revenue Funds (Motor Fuel Tax and Special Census), Capital Projects Funds (Capital Improvement and the Capital Reserve Fund), 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.



**Village of Oswego, Illinois
Fiscal Year 2008/2009 Budget**

Village President Brian LeClercq
Board of Trustees
Village of Oswego, Illinois

Dear President LeClercq and the Board of Trustees:

Transmitted, herewith, is the budget for the Fiscal Year beginning May 1, 2008 and ending April 30, 2009. The budget is \$40,050,511 for all funds, including transfers. The General Fund budget is \$12,995,160, including transfers to the Police Pension, Debt Service and Capital Reserve Funds. General Fund operating revenues of \$13,312,305 exceed expenditures by \$317,145, leaving the anticipated April 30, 2009 General Fund Fund Balance at \$5,583,081. This Fund Balance amount represents a 5.2 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 2008/2009 for the Village of Oswego. None more challenging than the state of the economy in the United States as well as in the State of Illinois. However, 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 2008/2009 Budget includes \$24,000 in capital expenditures and \$0 in additional personnel costs in the General Fund. The state of the economy directed the minor amounts planned for in FY 2008/2009 where prior fiscal years saw these two amounts total well into six figures. The Motor Fuel Tax Fund has \$350,000 in capital expenditures. The Water and Sewer Fund has \$6,723,000 in capital expenses and \$0 in additional personnel expenses. Of this \$6,723,000 amount, \$223,000 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 \$14,900,000 in capital expenditures that will all be funded by bond proceeds and grant proceeds.

There is no additional staff for the Village included in the FY 2008/2009 budget. Prior years saw several new positions added to the Village's existing employee base but the state of the economy has had such a significant impact on the Village's revenues that there could be no additional hires for the Village this fiscal year.

Capital expenditures for Fiscal Year 2008/2009 include the continuation of the Douglas Road Reconstruction project, Public Works vehicle replacements, 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. Bond proceeds make up a significant portion of the reserves of the funds.

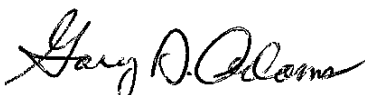
There are two fee increase across the entire Village for FY 2008/2009. Water rates will increase from \$2.63 per 100 cubic feet to \$2.72 per 100 cubic feet and take affect May 1, 2008 and first appear on the July, 2008 water bill. This is an increase of 3.5% which is based on the Consumer Price Index (CPI) which the Board approved in April, 2007 as the increase factor for water rates each fiscal year. Second, garbage collection rates will increase as detailed in that section of this budget document.

The budget provides for a 2.3% Cost of Living Adjustment (COLA) for Village employees, except sworn Police personnel. The impact this adjustment has on the General Fund budget is \$61,036.

In conclusion, the Fiscal Year 2008/2009 budget contains a surplus in the General Fund. Service levels will be maintained from FY 2007/2008 levels, though it is difficult to predict if levels will noticeably increase due to the lack of resources available to the Fund in FY 2008/2009.

We are pleased to submit the Fiscal Year 2008/2009 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 2008/2009 continue to place great emphasis on the growth that the Village is facing as well as the need to analyze building standards and to ensure that Village facilities and infrastructure are maintained or improved as needed. The 2008/2009 goals again include an emphasis on the progression of redevelopment in the Downtown area. 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. Along with staffing needs, another personnel issue is analyzing the compensation levels that are paid to Village employees. Communication improvements between Village residents, other governmental districts within Village limits and within the Village Board will be sought. Another goal is to maximize funding capabilities for the Village and determine how Home Rule powers will assist in this process. Lastly, transportation studies will continue and will incorporate the roles of PACE and Metra in the Village.

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, income 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 2008/2009 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 2008/2009 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 and income taxes for the Village are growing, providing much needed funds to provide resources to various programs, resources that have been lost due to the downturn in the housing industry. The 2008/2009 budget reflects the difficulties

faced by a slowing economy and housing market and the impact these changes have on revenues and expenditures.

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 2008/2009 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: future transportation needs of the Village; staffing and staff compensation needs for the Village; maximizing Village funding streams and the impact of Home Rule; determining the infrastructure needs of the Village over the short and long-term; improving communication throughout the Village; improving building standards; and continued redevelopment of the downtown.

During 2007/2008 there were two goal setting meetings held. These goals will be described in the following section entitled "2008/2009 Budgetary Priorities."

3. The Capital Improvement and Staffing Plans:

The Capital Improvements Plan facilitates planning for capital expenditures over a multi-year period. The 2008/2009 Capital Plan plans for the continued work on the Douglas Road widening project and the start of the planning stage for the construction of a new police facility. However, there are no capital expenditures planned from the General Fund except for the continued purchase of computer equipment in order to keep on track with the Village's computer replacement schedule. All other proposed capital outlay for the General Fund could not be included in the budget due to the flat growth in revenues for the fiscal year. Vehicle purchases will be made from the Water and Sewer Fund to replace units that have become too broken down to repair any more. The Water and Sewer Fund also has a planned new well and tower scheduled to begin in fiscal year 2008/2009 but will take two fiscal years to complete and will be funded by bond proceeds. 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 2008/2009 Staffing Plan called for several staff additions in the Corporate, Public Works and Police departments but these additions could not be included in the budget due to the lack of funding to support these additional costs.

2008/2009 BUDGETARY PRIORITIES:

Reflecting the Village Board's identification of goals during the goal setting session held in 2007/2008, the 2008/2009 Budget allocates resources to accomplish the following items, which are all identified as a short-term or long-term goal and prioritized:

1. Continued development and redevelopment focus on the downtown area. This includes not only commercial activity but residential, as well. This is a long-term goal.
2. Continued infrastructure needs planning for the Village over the short and long-term. Work began in FY 2007/2008 with the Village's engineering firm to develop a twenty year plan to identify as many "hot spots" as possible within the Village's infrastructure network. This is both a short-term and long-term goal.
3. Determine and/or study new revenue possibilities for the Village that Home-Rule status will bring. Once the Village's population reaches 25,000, the Village will gain special authority under State law. This is a short-term goal with both short-term and long-term implications.
4. Analyze building and development standards to determine what improvements can be made in terms of building materials and development types. This is both a short-term and long-term goal.
5. Improve communication with Village residents, other governmental districts within the Village limits and within the Village Board. Communication has been a much focused topic for the Village Board throughout FY 07/08 and will continue through FY 08/09 and beyond. This is both a short-term and long-term goal.
6. Continued study of transportation that includes expanded roles of PACE and Metra. This issue continues to command attention from the Village and its leaders. The Village would benefit greatly from increased public transportation but lack of outside funding and significant operational costs are large obstacles to overcome. This is a long-term goal.
7. Plan for the future expansion of current and new Village facilities. Having in place facilities to meet the needs of Village residents and staff to provide customer service to the best extent possible has been a matter of high importance to the Village Board over the last several years. This is both a short-term (police facility) as well a long-term goal (expansion of the Public Works facility).

8. Analyze staffing needs and compensation levels. The Board understands what is necessary to retain professional, competent staff for the Village of Oswego. The Village last benchmarked itself in its industry over five years ago and the time has come for this procedure to happen again. This is a short-term goal having long-term implications.

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 21st 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.

Village Board Strategic Planning Goals

March, 2008 saw the first strategic planning session held for the Village Board and staff. A day long retreat at the Northern Illinois University campus in Naperville was the first time in six years this process had been attempted. However, the 2008 session produced much better results (in the form of Board goals) and a commitment to keep this a regular process in the planning and management procedures of the Village.

The strategic planning goals developed by the Board and staff will serve as a “second layer” of objectives for staff to work on throughout FY 2008/2009 and beyond. In future years budget processes, the Village will work to streamline this process so that the strategic planning process will yield a set of goals that will serve as the framework for the Village budget, as well. Also, the creation of a Village mission statement will be one of the next priorities of the strategic planning process. Careful thought and consideration needs to be put into the creation of the mission statement and since the March, 2008 strategic planning session was the first for most Board members and several staff members, the choice was made to wait on its development.

The following list is the Village Board strategic planning goals for 2008/2009:

1. **Develop, adopt and implement a set of core values.** This is a process that has been developed and adopted by the Board. The core values are:
 - Customer Service (internal and external) - Our customers come first and we will strive to serve and help them in a friendly, fair, respectful, cost-effective and timely manner.
 - Honesty and integrity - We will always speak and act truthfully, acknowledge our mistakes, keep commitments, listen to and express opinions in a respectful manner, and be reputable and trustworthy.
 - Cooperative Teamwork - We will all work together to achieve common goals; looking beyond self-interests while remaining helpful to everyone, encouraging compromise, teamwork and positive change, and recognizing that a common commitment leads to organizational excellence.
 - Quality - Strive to continuously improve to be the best we can be.

- Innovation - Encourage a work environment that supports and fosters thinking beyond the norm, calculated risk-taking and being creative.
 - Accountability - We are personally and collectively responsible for our behavior, actions and performance.
 - Respect - We are respectful of each other; differing opinions add to the discussion. These opinions will be accepted without embarrassing or humiliating others.
2. **Recruit, hire, develop and retain the best people possible.** The objectives for this goal have also been developed and adopted by the Board.
- Provide an economically feasible insurance program that attracts and retains employees.
 - Bi-annual compensation studies.
 - Identify and propose non-traditional benefits.
 - Review and revise paid time-off policies.
 - Identify training and development needs.
 - Define and implement an on-going training and development program.
 - Review and develop employee relations strategies.
 - Implement a comprehensive recruitment and hiring process.
 - Review and consider additional retirement plans.
3. **Establish and implement a long range plan for the Village that is fluid and revisited very two years.** This is a goal whose objectives will be developed over the coming years. Village staff will work on the individual plans listed below and bring the plans forward to the Board for adoption.
- Comprehensive Plan
 - Downtown Plan
 - Environmental Plan
 - Transportation Plan
 - Orchard Road Corridor Plan
4. **Continue to provide the resources necessary to meet current needs and fulfill the long-range plan through conventional and alternative resources.** This goal is accomplished each year through the budget process. Procedures will be continually refined each year in order to provide the best services to Village residents.
- Update the staffing and capital plans.
 - Try to implement the strategic planning goals, as much as possible, within each fiscal year's budget.
 - Determine alternative funding sources that are open to the Village and maximize these sources.
5. **Provide opportunities for Board and Staff teambuilding and other interactions.** This goal is an ongoing goal and will be worked on continuously.
- Semi-annual Board/Staff Dinner (at one family event).
 - Annual Strategic Planning Retreat and follow-up sessions.
 - Develop and implement a new-trustee orientation program.
 - Quarterly Elected Official/Staff Dialogue meeting.

- Develop and implement procedures for Board to Staff communication.
6. **Ensure that the Village has the programs, facilities and services that meet the needs of our community.** This goal has the longest implementation range of all six goals listed. The entire process will take five years and, after the process is complete, will start over again and be a continual process.
- Each Department or Department Head analyze current services provided.
 - Survey residents on expectations.
 - Survey other communities.
 - Review survey results to analyze the requested needs and wants of the community.
 - Prioritize projected new programs and services.
 - Determine the resources necessary to implement new programs, facilities and services.
 - Conduct a follow-up survey of the community.

The strategic planning process is a vital step to developing an overall vision on the direction of where the leadership sees the Village going in the coming years. It is an important step in the creation of the annual Village budget because it gives staff clear direction on what the Board expects of them. Continuing this process will be strongly encouraged by staff to the Board in order for a consistency of purpose to be maintained at the leadership level of the Village government.

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 2008/2009, the combined budget of all funds reflects \$40,050,511 of expenditures (excluding capital expenses in the Water and Sewer Fund). This represents a 13.3% increase in expenditures for all funds. Projected revenues across all funds total \$35,455,531. This represents a decrease of 9.85% from the prior year, due to a small amount of bonds being issued in 2008/2009 than those issued in 2007/2008. Also, the downturn in the economy has caused the Village to lose certain revenues in FY 2008/2009 such as permit fees, transition fees and water tap on fees. The following information and the Departmental Overview will better detail the impact of certain 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 \$12,995,160 of expenditures after transfers. This represents a 0.7% decrease in expenditures for the General Fund. Revenues for the General Fund are \$13,312,305. This is an increase of 0.78%.

The combination of the funds utilized for operations and pension funds will produce a projected, fiscal year 2008/2009 year-end General Fund Balance of \$5,583,081. Based on the total expenditures of \$12,995,160, this represents a 5.2 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 51 of the Budget document.

DEPARTMENTAL OVERVIEW:

The 2008/2009 Budget, as presented, includes salary increases for eligible employees. A Cost-of-Living Adjustment (COLA) of 2.3% takes affect May 1, 2008 for all non-sworn Police department personnel. Merit increases are budgeted for these same personnel members for January, 2009 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 1-year employment agreement. At the end of FY 2007/2008, the officers of the Police department unionized. This change will, undoubtedly, have a noticeable impact on future budgets for the Village of Oswego.

The Budget plans for no additions in personnel due to the downturn in both the economy as well as the housing market. With that being said, FY 08/09 employee counts will be the same a FY 07/08. However, there were needs to fill new positions in FY 08/09 but, obviously, these new positions will have to wait until FY 09/10 to determine if they will be filled.

Following is a chart that depicts Full Time Equivalent (FTE) personnel, by department, from Fiscal Year 2006/2007 projected through Fiscal Year 2008/2009. 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	2006/2007	2007/2008	2008/2009
Corporate*	15.5	15.5	15.5
Building and Zoning**	11.5	12.0	12.0
Community Development**	6.0	6.5	6.5
Public Works/Water**	29.0	32.0	32.0
Police	63.5	68.0	68.0
TOTALS	125.5	134.0	134.0

* Does not include the Village Board.

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

A major change that occurred in FY 2008/2009 was a change to the Village's health insurance structure. Health insurance was structurally changed which allowed the Village to actually spend less on health insurance in FY 08/09 than it did the prior year of FY 07/08. A deductible was introduced and employee's shares of premiums were supposed to go to 8% in FY

08/09 but were raised to 10%. Also, vision insurance is no longer paid by the Village; if an employee wants this coverage, the employee must pay 100% of the premium. Also, the dental insurance provider was changed thus keeping the premium level almost flat in FY 08/09 as compared to FY 07/08.

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 06/07 Actual. This reflects the amount actually spent in Fiscal Year 2006/2007 in each of the listed categories: personnel, insurance, professional services, etc. The second column is FY 07/08 Budget, including amendments. This column reflects the amount budgeted to be spent in each of the listed categories in Fiscal Year 2007/2008. The third column is FY 07/08 Estimate. This column reflects the amount the department anticipates spending in each of the listed categories by the end of fiscal year 2007/2008. The fourth column is the proposed budget presented to the Board for its consideration for Fiscal Year 2008/2009. 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 07/08 Budget to FY 08/09 Proposed Budget. In reviewing this column, it is also important to take note of the FY 07/08 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 2007/2008 but believes it will actually spend \$12,000, then \$12,000 will show up in the FY 07/08 Estimate column. It would explain why the department decided to budget \$13,000 in FY 2008/2009.

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 starting 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 2008/2009 budget again emphasizes development of the downtown along with maintaining service levels to residents.

The summary sheet for Corporate shows an overall decrease of 1%. This decrease is significant and was brought about by the downturn in the housing market. In fact, almost every General Fund department's FY 08/09 budget is less than their FY 07/08 budget. There should be no confusion that the FY 07/08 was laden with "fat;" rather, significant belt tightening measures were taken during the development process of the FY 08/09 budget. The Finance Director/Budget Officer directed staff to keep any increases as small as possible. Cooperation at the departmental level was very strong and achieved a balanced budget in the first draft of the budget.

Personnel Services has increased by 5%, due to the inclusion of the Cost-of-Living-Adjustment (COLA) of 2.3% and merit increases that will take effect in January, 2009. There are no staff additions in FY 08/09.

Health insurance costs decreased by 2% due to the aforementioned change to the structure of the health insurance benefits.

The 6% increase in Professional Services is due to two factors. First, Legal Services costs have increased so the budget for this item went from \$150,000 to \$175,000. Second, the grant that was funding 80% of the Pace bus services for the Park and Ride will expire this fiscal year. The Village has made the decision to fully pay for this service while continuing to search for grant funding options for these services. This line item increased by almost \$75,000.

The Contractual Services decrease of 9% is due primarily to the fact that the Village changed several of its maintenance contracts on equipment in its Village Hall. Other line items in this category have gone up and down according to actual needs of those items.

Communication decreased by 17% for several reasons. The main reason is the decrease in telephone expenses due to moving the Village Hall telephone system to the new Village Hall in FY 07/08. Smaller increases and decreases, again, are due to actual need of those categories.

The decrease in Professional Development of 25% is due to decreased training needs for the H.R. division of Corporate as well as no requests for tuition reimbursement in FY 08/09.

The decrease in Operating Supplies of 19% reflects the decreasing need of I.T. supplies for the Village. Most other lines in this category decreased, reflecting the overall cost cutting measures employed by the Village in the creation of the FY 08/09 budget.

The decrease in Capital Outlays of 66% is again due primarily to the same reason for other decreases throughout this budget – demand for capital purchases had to be tempered due to the fact that revenues have been impacted by the down turn in the housing market and economy. The only capital outlays for FY 08/09 are for the computer replacement program.

Building and Zoning Department:

The Building and Zoning Department's budget reflects an overall decrease of 10%, or almost \$98,000. Personnel Services increased by 4% but this increase was minimized by decreases to the overtime and stipends budgets. These changes bring these items to more accurate, realizable amounts. Insurances and benefits are increasing by 4% again due to the change of the insurance structure.

The decrease in Professional Services of 83% is due to the 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 decrease in Contractual Services of 71%, or almost \$80,000, is due to the cost of renting an office space at 123 Washington Street for the last two years. This expense is now gone.

Communication has increased 1% due to the need to reflect the cost of telephone services more accurately.

Professional Development has remained the same from FY 07/08. Training needs for the department are being met at this cost level.

The decrease in Operating Supplies of \$4,000 is primarily from the department needing to purchase fewer Office Supplies in FY 08/09 due to shared costs with other departments now that all .

Capital Outlay decreased 100% due to the directive of no capital purchases for FY 08/09. Future year's capital purchases will also depend on the availability of funds to support the purchase.

Community Development Department:

The Community Development department has a budget decrease of 12%, or just over \$72,000, for Fiscal Year 2008/2009. Personnel Services increased 17% from FY 07/08 due to an addition mid-year in FY 07/08 of a Planner in the department. Insurance and Benefits increased by 23% for the same reason.

Professional Services will decrease by 69% due to two plans that were included in the FY 07/08 budget as a direct response to the Board's goals for FY 07/08. First, a transportation plan and then an updated Downtown plan were in the FY 07/08 budget but not in the 08/09 budget thus driving down the amount needed in this cost center.

The decrease in Contractual Services of 17% is due to a decrease for the Village's liability insurance.

Communication expenditures decreased by 9%. This is due to the decreases in the printing expense line item.

Professional Development increased by 15% and this is due to increased Travel and Training needs for the department. The ICSC conference increased this line item.

Operating Supplies has decreased by 40%, or \$4,350 due to the department budgeting higher amounts in FY 07/08 for the move to the new Village Hall and the purchase of necessary filing supplies.

Capital Outlays decreased entirely due to the budget constraints felt this fiscal year. \$23,500 was budgeted in this category if FY 07/08.

Public Works (Road and Bridge):

The Road and Bridge department has an increase in its budget for FY 2008/2009 of 2%, or less than \$50,000. Personnel Services will increase almost \$12,000 from FY 2007/2008 due to covering the costs of raises for employees.

Professional Services decreased \$1,000 due to all testing of Public Works employees are paid for from the Water and Sewer Fund.

Contractual Services increased by almost \$2,500 but for good reason. Mosquito Control, Snow Removal, Streets/Storm Sewer Maintenance, Leaf removal and Street Lighting (electricity) expenses all increased by a total amount of \$83,000 from FY 07/08. This is due to the fact that all of these items have either an increasing demand and/or increasing outside cost associated with them and to arbitrarily hold down the budget on these items would only hurt the services provided to residents. However, this increase is tempered by a decrease of \$50,000 to Maintenance, Street Lights due to a change in the way the department handles repairs to Village street lights. Staff implemented a change in FY 07/08 so that the repairs are no longer done by an outside firm but by trained Village staff.

The Communication budget increased by \$4,000, or 36%, due to the need to budget telephone expenses at their realizable amount.

Professional Development remained flat from FY 07/08.

The 28% increase in Operating Supplies is due entirely to gasoline charges which are expected to increase in FY 08/09.

The Capital Outlay budget has decreased by 15% due to the decreased need of supplies in the department. The capital outlay section in Road and Bridge is somewhat different than other departments. This area tracks reoccurring expenses that are correctly labeled capital outlays. This explains why most other departments in the General Fund have no capital outlay amounts but Road and Bridge does.

Police:

The Police Department's budget overall shows a 1% decrease in expenditures. Personnel services increased 6% over FY 07/08. This includes a wage increase for sworn personnel as determined by the wage agreements. The Village approved a 1-year extension of the wage agreement that was due to expire on April 30, 2008. This agreement increased salaries by 3% from the FY 07/08 level.

A major change that occurred at the end of FY 07/08 was that officers of the department unionized. This change will have a significant on the Village budget for future years.

The department's figures for insurance have decreased by almost \$5,000.

The department did have an increase in Professional Services of \$14,000. Increases for the Police Commission to test for new Police officers is the main reason for this increase.

Contractual Services decreased by 11%, or almost \$34,000. The two main reasons for this decrease are the decreased demand for maintenance issues with the records system in the department and the decrease to uniform purchases due to no new hires of officers for FY 08/09.

Communications increased by 6%. The largest increase comes from the telephone expense which tracks more accurately to actual usage.

Professional Development decreased by 28%, or almost \$40,000. Training for the department was scaled back due to the nature of the economy and what could be afforded. Travel expenses also decreased for the same reason.

Operating Supplies decreased by 4%. Although the line item for gasoline increased, all other items decreased reflecting the overall belt tightening of the department.

Capital Outlays have decreased by 95%, which equals \$278,000. The only item included here, as with the Corporate department, is the annual computer replacement program. Typically, squad cars are purchased each year but could not be afforded in FY 08/09.

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 was new for FY 07/08 and continues to be shown on the General Fund summary sheet for comparison purposes only.

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 on June 30, 2012. 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 at the instruction of the Village Board 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 as many recycling carts as they wish but will pay \$3.15 per cart per month starting July 1, 2008. Until July 1, 2008, the fee is \$3.00 per cart per month.

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 five fiscal years. There will be an increase in rates for FY 2008/2009 and rates are clearly defined in the narrative of the Garbage Collection Fund section of this budget document.

The increase in revenues of 3% and expenses of 3% is a direct reflection of the minimal growth the Village of Oswego is expecting to experience in FY 08/09. The Fund is budgeted to have a net income of \$12,517 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 start of placing a new well and water tower on the west side of the Village. The west side of the Village has needed additional storage and water supply due to additional growth - both residential and mainly commercial along Orchard Road. The Fox Chase tower is only 300,000 gallons and will

not serve the West side effectively in a major fire event. This additional well and tower will greatly improve water volume and fire reserve capacity. The Village continues to have problems with older wells 3&4 with either sand issues or loss of pumping capacity. This new well and tower can also help out these wells so they can be used less and the higher volume wells more especially in the summer time during high demand times.

Capital projects and debt service for former capital projects are scheduled 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 \$6,500 per water tap, and there is an additional \$500 charge for the water meter installation. The reason for such a large rise in water tap fees in 2009 is two-fold. First, inflation on construction supplies, most notably steel, increase annually in the double digits outpacing the increases to the tap on fees. Second, the current method of \$1,000 increases every two years does not keep the Village's water tap balance "in the black" and would force the operations of the Water and Sewer Fund to support the costs of new construction.

The total dollar increase for the Water and Sewer Fund for FY 2008/2009 is only \$7,087. This equals a 0% increase for the fund. Personnel and Insurance costs went down over \$31,500 in FY 2008/2009.

Professional Services has a decrease in its budget of 23%, or almost \$80,000. The the water model plan for the Village will not be updated in F 08/09, saving the Fund \$50,000. The other cost decrease is to Legal Services which decreased by \$30,000.

Contractual Services is seeing a decrease of 1%. This is due to the amount of money spent on well repair in FY 07/08 that is not expected to continue in FY 08/09. However, this line item has been increase for FY 08/09 more so than what was seen in many recent fiscal years.

Communication increased 16%, or \$10,000, due to the increased cost for postage on water bills and for higher actual telephone costs.

Professional Development increased by \$1,500, or 14%. This increase is for additional dues expense for trained staff members 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 4% 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 4% in FY 2008/2009 is due to the issuance of debt for the new well and tower to be constructed in FY 08/09.

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 two projects in Fiscal Year 2008/2009: the continuation of the Douglas Road Reconstruction project and the new Police facility.

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 \$13 million. The Village will receive almost \$3.4 million in federal grant monies, leaving the remainder to be funded from a \$6 million bond issue from 2007 with the remainder coming from an additional bond issue in 2009. 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.

The new Police facility reflects an amount of \$5.9 million in the FY 08/09 budget. It needs to be noted that the inclusion of the Police facility is not a certainty. The process of planning for a new facility established FY 08/09 as the year that construction may begin. For planning purposes, this project was included in FY 08/09 but is not automatic – it will take Board approval for this project to get underway and for any debt to be issued for it. At the writing of this document, the space needs analysis had yet to be presented to the Board for the new facility. This analysis defines the size and cost of the proposed facility.

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. Finally, the Village will be conducting another special census in summer 2008 so the amount it receives for MFT allotments will increase again in FY 2008/2009. 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 \$709,517 in Motor Fuel Tax allotments. This is a 21% increase from the previous year. The Fund anticipates receiving \$7,300 in interest income during Fiscal Year 2008/2009.

The MFT funds will be utilized for two purposes in FY 2008/2009. The annual street maintenance program and to fund the debt issued for the Douglas Road project (2007B bonds). Staff will discourage any additional uses of MFT funds in FY 2008/2009 in order for the Fund to rebuild the cash reserves it had historically carried. The fund has been adhering to this practice for the last two fiscal years in order to build the reserves of this fund to levels it had carried in the earlier part of this decade. The Village spent down the reserves of this fund on projects such as the promenade along the river and the Harrison Street parking lot. The annual road program is budgeted at \$350,000 but has traditionally spent less than what it budgets.

Finally, the MFT Fund will transfer \$361,000 to the debt service fund to cover a large portion of the FY 08/09 debt service payment for the Douglas Road project. This is the first year the fund is doing this and it will continue to do so for the next nineteen fiscal years

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 started the process for a full special census in FY 2007/2008. It is estimated that for each person in the Village's population, the Village receives \$134.35 each fiscal year. The Village estimates that there are about 8,000 more residents since the time of its last special census, March of 2004. With 8,000 additional residents, the Village would receive an additional \$1,074,800 each year. However, to be somewhat conservative, the budget reflects only seven months of this increase (due to the timing of when the census will be complete) with an annual increase amount of \$950,000 used to calculate the increases.

The cost of the special census is estimated at \$415,000. This is for a full special census. At the time of the budget, it was uncertain how far along the process the census would be. Costs were allocated to both FY 07/08 and FY 08/09. However, if it comes to pass that all costs associated with the census are incurred in FY 08/09, a budget amendment will need to be passed to increase the FY 08/09 budgeted expenditure amount of \$125,000.

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 \$9,309,183 by the end of Fiscal Year 2008/2009. The funding level for the Fund, as of April 30, 2007, was 56.6%. This was an increase from the prior fiscal year when the funded level was 51.4%. The average funding level for a police pension fund in the State of Illinois is between 68% and 69%. 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 fourteen 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. Also, all actuary calculations factor in the unfunded portion in this fund to assure that future liabilities are funded.

One other challenge for the Village is that it is tax-capped and could not in three past fiscal years in the middle part of this decade levy a tax high enough to support what was 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 over \$1.4 million in FY 2008/2009. This income amount will undoubtedly continue to bring the funding level up when the fund is analyzed at the end of the fiscal year.

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 2027, 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. The Village issued \$9,970,000 (the 2006A and B 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. Finally, in FY 2007/2008, the Village issued \$9.5 million in bonds (the 2007A and B Bonds) for two purposes: \$6 million for the Douglas Road project and \$3.5 million to complete the new Village Hall.

The Village's total debt amount, as of April 30, 2007, was \$25,702,642. Of this amount, \$13,945,687 applied to the General Fund. The remaining \$11,756,955 was applicable to the Water and Sewer Fund. The Village's legal debt margin at April 30, 2007 was \$48,664,176, giving the Village ample room to issue debt to cover future capital projects, such as the possible construction of a new police facility.

Capital Reserve Fund:

The Capital Reserve Fund is a newly created fund that accounts for the transfers made from the General Fund that will ultimately pay the debt on the bonds issued for the new Village Hall. The Debt Service Fund cannot hold this money due to legal restrictions, it can only hold the money that it will spend in any given fiscal year. The Capital Reserve Fund will hold the surplus balance of the money transferred from the General Fund. The fund will receive a \$400,000 transfer from the General Fund in FY 08/09 while it transfers \$685,182 to the Debt Service Fund to make the FY 08/09 debt service payment on the new Village Hall bonds (2006A issuance).

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 the Jewel/Osco on Orchard Road.

- 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 (per capita revenues). A special census in the spring of 2008 will bring increased per capita revenues to the Village of Oswego, giving the Village an expected \$952,000 annually.
- 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 2008/2009 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 2007/2008 will be identified. Fiscal savings identified in the 2007/2008 Budget will not be permitted to "carry over" into the 2008/2009 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 \$2.63 to \$2.72 per 100 cubic feet (750 gallons). This increase follows the Village ordinance calling for water rates to increase each fiscal year by the Consumer Price Index (CPI).

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 2008/2009 Budget will provide for salary merit increases. It will also provide for a 2.3% cost-of-living-adjustment (COLA) for all non-sworn police department positions effective May 1, 2008.
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 limit of \$61,694,176 as of April 30, 2007. The Village had outstanding general obligation debt of \$13,030,000 as of April 30, 2007, thus creating a legal debt margin of \$48,664,176. 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 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 is one project that will necessitate additional borrowing in FY 2008/2009 - the new well and tower on the west side of the Village. There is also the possibility of debt being issued for the new police facility if the Board comes to a consensus on what the overall design and layout of the new facility should be. If a consensus is not met, the project will not start in FY 2008/2009. Throughout, the Village must remain cognizant of its capability to afford the debt and where the funding sources to pay the debt will come from.

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
2008/2009 Budget Development
Timeline**

October/November, 2007 – At Board meeting, the Board establishes their goals for the coming fiscal year.

Week of November 12, 2007 – 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 19, 2007 – Estimated Tax Levy Resolution is adopted at Board Meeting.

December 10, 2007 – Public Hearing is held on the 2007 Tax Levy at Board Meeting.

December 10, 2007 – 2007 Tax Levy is adopted by Board at Board Meeting.

January 4, 2008 – 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.

February 15, 2008 – The first draft of the Budget and capital and staffing plans are given to the Board.

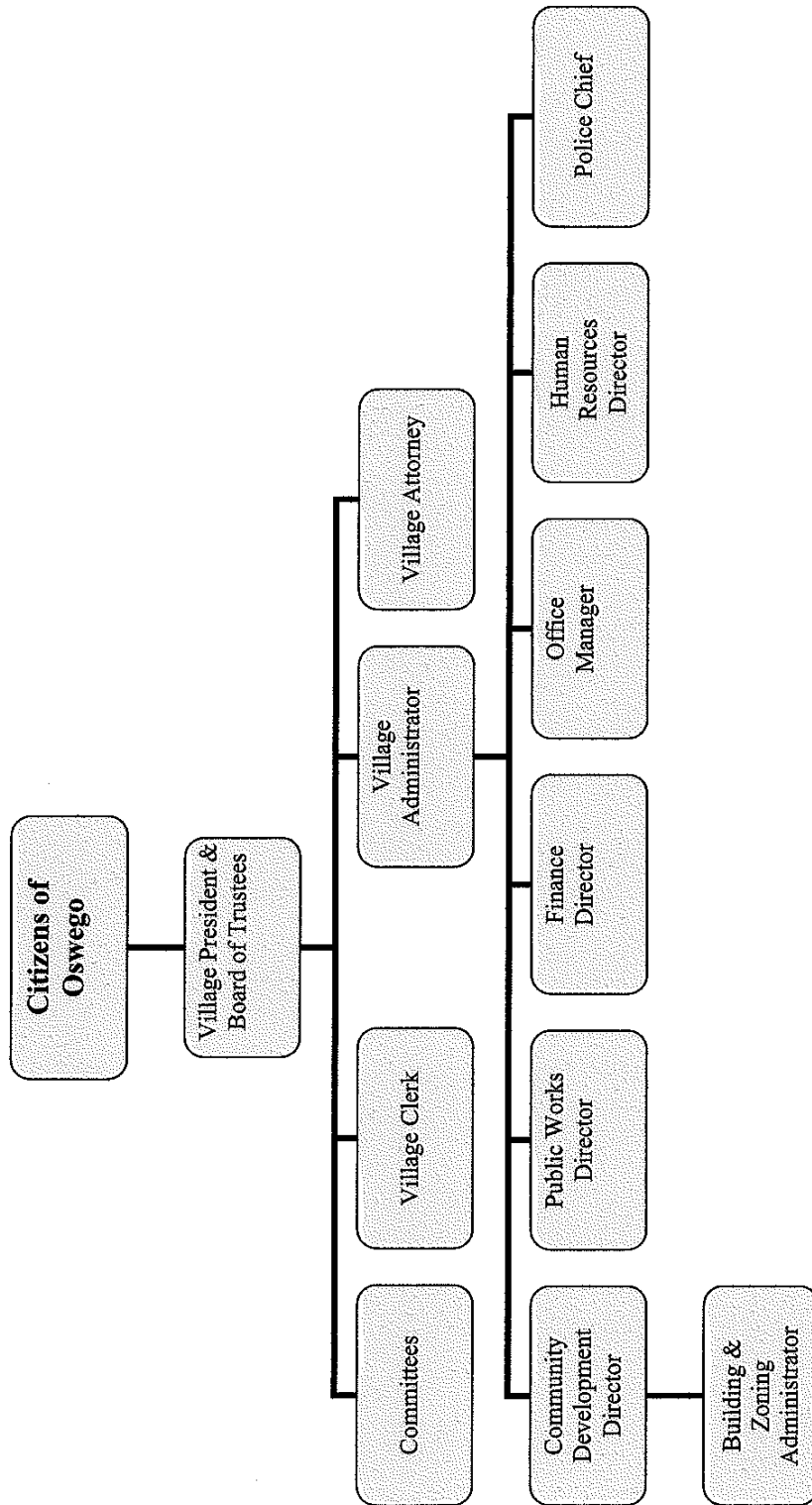
March 4, 2008 – Review of the draft Budget and capital and staffing plans at the C.O.W.

April 1, 2008 – 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 15, 2008.

April 15, 2008 – Public hearing is held for the 2008/2009 Budget.

April 15, 2008 - The Board adopts Fiscal Year 2008/2009 Budget at Board Meeting.

Village of Oswego Organizational Chart



**Village of Oswego
Fiscal Year '08/'09 Budget**

FINANCIAL SUMMARY

The financial status of the Village of Oswego for the fiscal year ended April 30, 2007, which is the last fiscal year for which an audit has been conducted, shows the General Fund with a healthy Fund Balance of \$5,003,264, up from \$4,733,089 the year prior, an increase of \$270,175. This Fund Balance represented a 5.3 month reserve as of the end of FY 2006/2007, 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 \$11,220,612 after transfers, for the year, up from \$10,431,201. 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 2008/2009 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 2008/2009.

Operating expenditures for the fiscal year were \$10,516,391, up from \$9,420,037 the prior year. The increase is due to increased salaries throughout the fund and higher staffing levels committed to several Village departments in order to maintain or increase service levels to Village residents. 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, 2007 was \$25,702,642, up from \$14,979,166 the year prior. General obligation debt increased by \$9,828,446 while enterprise fund debt increased by \$895,030. 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 2006/2007, 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 2008/2009 Budget has been planned within a conservative framework. It is designed to maintain current levels for services while decreasing expenditures in the process in the General Fund. 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 2008/2009 Budget is presented with a General Fund Fund Balance that is anticipated to end the fiscal year with a 5.2 month reserve.

FINANCIAL PROJECTION – 2008/2009 BUDGET

The Village of Oswego faces several financial challenges in Fiscal Year 2008/2009. The following is a list of the most important.

1. The Village must manage itself in a financially prudent manner during difficult financial times.

This is the most significant financial challenge facing the Village in FY 2008/2009 and will likely continue, at the very least, for the following one to two years. The Village receives significant amounts of revenue from the construction of new homes and businesses as well as from intergovernmental revenues that are based on consumer confidence as well as employment stability.

Income received from new construction, such as permit fees, transition fees and water tap-on fees are down significantly in FY 2008/2009. Approximately \$1.2 million less will come in from these sources in 08/09 than what came in during FY 07/08. This decrease affects the Village's budget in many areas. Purchasing of new or replacements assets such as squad cars, vehicles, large equipment and construction of facilities was drastically reduced in FY 08/09 due to these decreases. Even a temporary stoppage on creating new staff positions occurred this year even though the Village continues to grow in population.

Intergovernmental revenues such as income taxes and sales taxes are based on economic and employment stability. The Village is fortunate to have much of its retail business in necessity rather than luxury stores. Walmart, Target and Meijer's truly are stores that will continue to see steady sales even during a possible recession period. Consumers still need clothing, food and durable goods during difficult financial times but will seek to purchase these items at so-called "discount" stores. Therefore, Village staff believes that sales taxes will stay strong during this current recession. Income taxes, which the Village receives from the State of Illinois and is based on the Village's population, are also influenced by the local and national economy. However, this revenue stream, the second largest in the Village's General Fund will see increased inflows in FY 08/09 due to a special census that will be

completed by late summer 2008. The increased population for the Village will mean it will receive more income tax dollars from the State of Illinois.

Even though there is some good financial news for some areas of the Village, overall the Village went through significant “belt-tightening” measures during the FY 2008/2009 budget process. The General Fund actually has a smaller budget in FY 2008/2009 than it did in FY 2007/2008. Fiscal prudence has already been demonstrated in the creation of this budget but continued care will be taken as staff will closely monitor and analyze the financial information coming into the Village during the year. If any material downturns occur that will push Village revenues lower, staff is obligated to inform the Board and make recommendations as to how to best manage these unforeseen challenges.

2. 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 in FY 2007/2008 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. This plan is expected to go out as far as twenty years.

The Board’s goals for this fiscal year continue to focus on the infrastructure needs of the Village. Having a well designed and well thought-out master plan will assist in the financial planning process so the Village will try to avoid any surprises that have a significant financial impact.

3. The Village anticipates reaching home-rule status in FY 2008/2009. This new authority will allow the Village to expand its revenue base as well as grant it additional ruling authority as allowed under Illinois State Statutes.

Staff needs to clarify a major fear by taxpayers when a town received home-rule authority: Staff has no intention of treating home-rule authority as a means to arbitrarily raise property taxes in the Village of Oswego. At some point in time, property taxes in the Village of Oswego may need to be increased. However, there are several income enhancing possibilities that can add to the Village’s revenue base that do not impact property taxes. It will be staff’s duty to identify and recommend as many of these alternatives to the Board as are needed in order to meet the demand for services in the Village.

4. Future expansion plans of Village facilities will need to determine how the Village will afford these items.

Plans to expand or build new Village facilities, such as a new Police facility or the expansion of the Public Works facility, must identify how the Village will afford these items. Home-rule authority will allow the Village additional avenues to explore what is open to it in terms of how to afford these facilities. Fiscal prudence will continue to guide the Board and staff's decision making process while these plans are formulated.

5. Analyzing staffing needs and compensation levels for Village departments.

The Village last did a compensation study in FY 2002/2003. The possibility may exist that the Village may be at a competitive disadvantage in hiring or retaining quality staff if it has fallen below that market on employee compensation. Village staff will conduct surveys and analysis that will be brought forward to the Board along with any possible recommendations. At that time, if the Board so chooses to make any changes, the resources needed to fund such changes must be identified and earmarked for this purpose.

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 '08/'09 Budget**

REVENUE SUMMARY

Property Taxes

Property taxes levied in December, 2007 fund the Fiscal Year 2008/2009 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 in December, 2007 for the Village of Oswego's purposes is as follows:

	<u>2006 Levy</u>	<u>2007 Levy</u>	<u>Increase</u>
Corporate*	\$111,586	\$191,433	
IMRF*	165,948	171,259	
Police Pension*	726,740	752,163	
Audit*	0	0	
Bonds and Interest	<u>0</u>	<u>0</u>	
	\$1,004,274	\$1,114,855	\$110,581

* 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 two 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:

2007	\$110,581
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

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.

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 0.1279 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: $\$120,000 \times 0.1279 = \$15,348$; $\$15,348/\$100 = \$153.48$

Thus, a homeowner with a house valued at \$360,000 would pay \$153.48 in 2008 to the Village of Oswego.

Municipal Tax Rate Comparison

<u>Year</u>	<u>Tax Rate</u>	<u>Percent Change</u>
2007	0.1279(estimated)	(8.90%)
2006	0.1404	(2.43%)
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%)

As one can see, every year for 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 the last ten years**, all other things being equal. This trend will continue as long as the Village is under the tax cap requirements and does not change its tax levy methods when it reached home-rule status.

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 six sales tax rebate agreements in place that rebate a portion of sales taxes back to the developer and/or retail stores. Of these six, five are active (Oswego Commons, Super Walmart, Meijer's, the Bauman property and Kohl's) and the last (Jewel/Osco on Orchard Road) started tracking in May, 2008.

The sales tax incentive agreement already in place for Oswego Commons is in its seventh 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 seventh year, the incentive agreement rebates 50% of sales tax dollars back and the Village recognizes 50%. 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 Meijer's sales tax rebate agreement began its tracking when the store opened in May, 2008. The rebate agreement for the Meijer's development will only last five years and is a capped dollar amount. This agreement reimburses the developer for infrastructure costs that alleviated the Village's 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 Super WalMart rebate agreement 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. The tracking for this agreement started in September, 2007. Staff, again, believes this should take no longer than five years to fulfill the obligation to the developer.

Finally, the last active rebate agreement 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 2004A bonds. For FY 2008/2009, the Village anticipates to realize, in total, \$5,626,781 in sales taxes and recognize, net of the rebate, \$4,303,960 across both the General and Debt Service Funds.

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 \$507,375 in Transition Fee revenue in FY 2008/2009. The other component here is the Roadway Improvement Fee which is recognized in the Capital Improvement Fund. \$120,239 is expected to be realized in FY 2008/2009 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.

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 \$327,647 in Use Tax revenue in FY 2008/2009. The increase from FY 2007/2008 is due to a higher population basis because of the special census that will be completed in FY 2008/2009.

Income Tax

Income Tax is also maintained by the State of Illinois and distributed on a per capita basis. The Village of Oswego anticipates receiving \$2,306,681 in FY 2008/2009, 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 six 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 \$9,482 in FY 2008/2009 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 \$981,373 in FY 2008/2009. This revenue stream has decreased somewhat due to the growth in offerings by cable companies for phone service, new

telecommunication providers (Vonage) 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 \$1,048,975 in Utility Tax revenues in FY 2008/2009 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. The Village of Oswego anticipates recognizing \$942,170 in this revenue stream in FY 2008/2009. This is down significantly from FY’s 2006/2007 and 2007/2008 due to the high amount of commercial activity that was permitted in FY 2006/2007 and the continued slowdown of the housing market that the United States has experienced for the last two years.

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 2008/2009 will be \$214,600, increasing less than 5% from FY 2007/2008.

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 decreased in FY 2008/2009 to \$8,519,020, due to the downturn in the new housing market. The Water and Sewer Fund bears the brunt of this loss of revenues. Of the total amount, \$6,401,902 is recognized in the Water and Sewer Fund, down from \$8,088,545 in FY 07/08, \$1,755,976 in the Garbage Collection Fund and \$361,142 in the General Fund. The Water and Sewer Fund will lose almost \$1.8 million of budgeted funds in water tap-on fees in FY 2008/2009. Water rates will increase from \$2.63 to \$2.72 per 100 cubic feet, bringing in almost \$250,000 additional for the fund.

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 \$371,215 in FY 2008/2009, up from \$349,840 budgeted in FY 2007/2008.

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. The Village expects to recognize \$5,000 in revenues in FY 2008/2009 in the General Fund, with the remaining funds being set aside for special programs as assigned by the Village Board.

Interest

Interest revenue for the Village had been doing well since FY 2005/2006 due to increased rates from the Federal Reserve Bank. Interest rates increased dramatically from FY 2004/2005; almost three-fold. However, starting midway through FY 2007/2008, the Federal Reserve Bank began cutting interest rates due to the downturn in the economy. Interest revenues for FY 2007/2008, for all budgeted funds, are anticipated to be \$881,290, down from the \$1,499,902 realized in FY 2006/2007. FY 2008/2009 expects more in interest earnings, \$1,010,166, due to the anticipation of bonds being issued for capital projects and these bond proceeds will earn larger amounts of interest.

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 \$25,740 in rent revenue in FY 2008/2009.

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 \$2,711,017 in grant/intergovernmental revenues to be recognized in FY 2008/2009 is allocated as follows: \$101,500 to the General Fund, \$709,517 to the MFT Fund and \$1,900,000 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 \$709,517 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 four 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 \$433,154 and the payments in lieu of property taxes portion totals \$424,217 for a total amount of \$857,371 in FY 2008/2009. 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 Capital Reserve Fund to build reserves to pay for future debt service payments related to the bonds issued for the new Village Hall. This amount totals \$400,000. The third transfer is from the Capital Reserve Fund to the Debt Service Fund to cover the actual debt payment made in the fiscal year. This amount is \$685,182. Finally, the last transfer is from the MFT Fund to the Debt Service Fund to pay for the debt for the Douglas Road project. This amount is \$361,000. The total Village-wide Transfers to Other Funds revenue stream is \$2,303,553.

Other

Other revenues include small, miscellaneous revenue sources and cable TV franchise fees. The total revenue to be recognized in this area in FY 2008/2009 totals \$329,300.

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

All Fund Revenues

	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	<u>CHANGE</u>
General Fund	11,932,598	13,208,643	13,005,825	13,312,305	0.78%
Motor Fuel Tax	628,915	795,042	677,763	716,817	-9.84%
Water and Sewer	7,394,330	8,280,622	6,670,689	6,535,419	-21.08%
Capital Improvement	10,778,414	12,456,138	7,830,937	9,545,239	-23.37%
Garbage Collection	1,399,578	1,703,518	1,694,451	1,755,976	3.08%
Special Census Fund	21,121	12,500	16,093	7,500	-40.00%
Debt Service	1,186,775	621,933	656,360	1,491,448	139.81%
Police Pension	1,515,879	1,376,446	1,336,783	1,675,327	21.71%
Capital Reserve Fund	<u>0</u>	<u>874,252</u>	<u>874,252</u>	<u>415,500</u>	-52.47%
TOTAL REVENUES	34,857,610	39,329,094	32,763,153	35,455,531	-9.85%

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

ALL FUND REVENUES BY SOURCE SUMMARY

<u>REVENUE</u>	<u>FY 06/07 ACTUAL</u>	<u>FY 07/08 BUDGET</u>	<u>FY 07/08 ESTIMATED</u>	<u>FY 08/09 PROPOSED</u>	<u>CHANGE</u>
Property Taxes	1,639,200	1,865,012	1,875,293	2,017,018	8.15%
Sales Taxes	3,511,593	4,646,997	4,986,449	5,626,781	21.08%
Sales Tax Rebate	(588,950)	(1,027,163)	(1,027,163)	(1,322,821)	28.78%
Transition Fees	885,172	1,151,388	699,243	627,614	-45.49%
Use Tax	258,312	297,205	277,198	327,647	10.24%
Income Tax	1,681,961	1,930,665	1,932,374	2,306,681	19.48%
Replacement Tax	9,926	9,300	10,500	9,482	1.96%
Telecommunications Surcharge	885,136	1,037,318	946,632	981,373	-5.39%
Utility Tax	824,833	1,144,616	1,011,840	1,048,975	-8.36%
Licenses and Permits	2,114,591	1,295,113	1,430,696	943,170	-27.17%
Fines and Forfeitures	237,999	204,850	214,600	214,600	4.76%
Charges for Services	9,084,175	10,333,787	8,578,397	8,519,020	-17.56%
Employee Contributions	306,598	349,840	393,396	371,215	6.11%
Recycling Rebate	5,000	5,000	5,000	5,000	0.00%
Interest	1,499,902	973,827	881,290	1,010,166	3.73%
Rent	24,050	24,700	24,700	25,740	4.21%
Grants/Intergovernmental	750,219	4,026,192	2,164,160	2,711,017	-32.67%
Transfers From Other Funds	1,483,079	2,045,761	2,045,761	2,303,553	12.60%
Other	<u>274,814</u>	<u>414,686</u>	<u>312,787</u>	<u>329,300</u>	-20.59%
SUB-TOTAL REVENUE	24,887,610	30,729,094	26,763,153	28,055,531	-8.70%
Other Financing Sources	9,970,000	8,600,000	6,000,000	7,400,000	100.00%
TOTAL REVENUE	34,857,610	39,329,094	32,763,153	35,455,531	-9.85%

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

All Fund Expenditures

	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	<u>CHANGE</u>
General Fund	11,662,428	13,086,674	12,743,153	12,995,160	-0.70%
Motor Fuel Tax	604,289	525,000	317,115	711,000	35.43%
Water and Sewer	6,003,739	7,140,645	6,815,501	7,147,732	0.10%
Capital Improvement	4,530,533	10,238,000	7,737,961	14,900,000	45.54%
Garbage Collection	1,350,403	1,687,928	1,681,739	1,743,459	3.29%
Special Census Fund	0	500,000	290,705	125,000	-75.00%
Debt Service	504,375	1,931,680	1,931,080	1,491,847	-22.77%
Police Pension	191,424	239,786	236,201	251,131	4.73%
Capital Reserve Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>685,182</u>	N/A
TOTAL EXPENSES	24,847,191	35,349,713	31,753,455	40,050,511	13.30%

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

ALL FUND EXPENDITURES BY CATEGORY SUMMARY

<u>EXPENSES</u>	<u>FY 06/07 ACTUAL</u>	<u>FY 07/08 BUDGET</u>	<u>FY 07/08 ESTIMATED</u>	<u>FY 08/09 PROPOSED</u>	<u>PERCENT CHANGE</u>
Personnel Services					
Salaries Full-Time	5,887,149	6,780,601	6,578,306	7,108,358	5%
Salaries Part-Time	391,604	573,461	554,957	594,056	4%
Overtime	277,843	260,600	256,600	275,140	6%
Stipends	<u>153,186</u>	<u>330,950</u>	<u>327,450</u>	<u>337,720</u>	2%
Total Personnel Services	6,709,782	7,945,612	7,717,313	8,315,274	5%
Insurance and Benefits	1,461,037	2,463,865	2,416,525	2,447,182	-1%
FICA and IMRF	633,103	0	0	0	0%
Professional Services	2,280,262	3,492,242	3,146,252	3,016,613	-14%
Contractual Services	2,284,150	2,860,317	2,715,742	2,728,271	-5%
Communication	205,818	242,010	233,760	249,310	3%
Professional Development	128,155	242,816	177,984	188,721	-22%
Operating Supplies	931,311	880,055	857,723	879,395	0%
Depreciation of Capital Assets	1,465,219	1,649,205	1,649,205	1,703,720	3%
Capital Outlay	5,655,468	11,210,628	8,550,988	15,334,500	37%
Transfers	2,113,679	2,772,367	2,772,367	3,139,329	13%
Debt Service	<u>979,207</u>	<u>1,590,596</u>	<u>1,515,596</u>	<u>2,048,196</u>	29%
TOTAL EXPENSES	24,847,191	35,349,713	31,753,455	40,050,511	13%

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

General Fund

<u>REVENUE</u>	<u>FY 06/07 ACTUAL</u>	<u>FY 07/08 BUDGET</u>	<u>FY 07/08 ESTIMATED</u>	<u>FY 08/09 PROPOSED</u>	<u>CHANGE</u>
Property Taxes	1,008,600	1,138,406	1,146,906	1,264,855	11.11%
Sales Taxes	3,158,297	4,385,064	4,724,516	5,182,915	18.19%
Sales Tax Rebate	(588,950)	(1,027,163)	(1,027,163)	(1,322,821)	28.78%
Transition Fees	512,936	920,250	564,500	507,375	-44.87%
Use Tax	258,312	297,205	277,198	327,647	10.24%
Income Tax	1,681,961	1,930,665	1,932,374	2,306,681	19.48%
Replacement Tax	9,926	9,300	10,500	9,482	1.96%
Telecommunications Surcharge	885,136	1,037,318	946,632	981,373	-5.39%
Utility Tax	824,833	1,144,616	1,011,840	1,048,975	-8.36%
Licenses and Permits	2,113,811	1,294,363	1,429,696	942,170	-27.21%
Fines and Forfeitures	237,999	204,850	214,600	214,600	4.76%
Charges for Services	554,864	541,724	424,150	361,142	-33.33%
BFI Rebate	5,000	5,000	5,000	5,000	0.00%
Interest	222,155	235,000	218,567	170,000	-27.66%
Rent	24,050	24,700	24,700	25,740	4.21%
Grants	128,590	41,150	65,000	101,500	146.66%
Transfers from Other Funds	683,079	821,509	821,509	857,371	4.37%
Other	<u>211,999</u>	<u>204,686</u>	<u>215,300</u>	<u>328,300</u>	60.39%
TOTAL REVENUE	11,932,598	13,208,643	13,005,825	13,312,305	0.78%

INTERPRETIVE NOTES ON CHARTS AND GRAPHS

General Fund Operating Revenue

The pie chart on p. 46 depicts the sources of revenue that support the General Fund budget. Sales Taxes (net of any rebates) are the largest source, at 29%. Sales Taxes are followed by Income Tax at 17%, Property Tax at 10%, Utility Tax at 8% and Telecommunications Surcharge and Licenses and Permits, both at 7%.

General Fund Selected Revenue

The selected revenue chart on p. 47 details the most recent three years activity for six revenue sources, the most recent year being FY 2008/2009. 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 have decreased due to the downturn in the housing market and the large amount of commercial property permitted in FY 06/07. Property Taxes have increased marginally over the three years, growing only as much as the property tax cap will allow it.

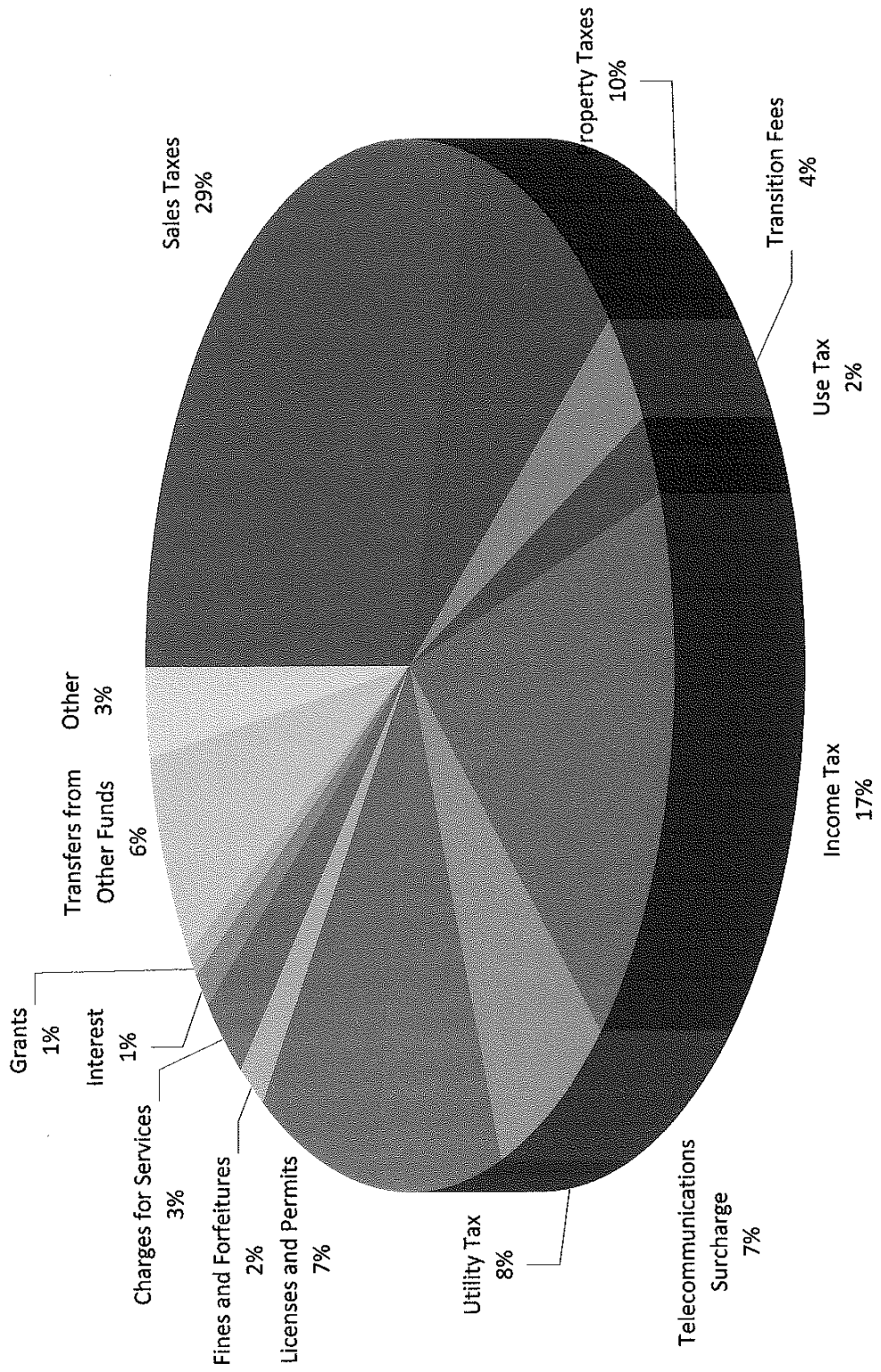
General Fund Operating Expenditures

General Fund operating expenditures on p. 49 shows the various departments' totals to the total for all expenditures in the General Fund. This graph further explains the information from p. 48. The Police Department is the highest at 57.3% followed by Corporate at 18.7%. Road and Bridge is next at 11.5%, followed by Building and Zoning at 7.9% and Community Development at 4.5%.

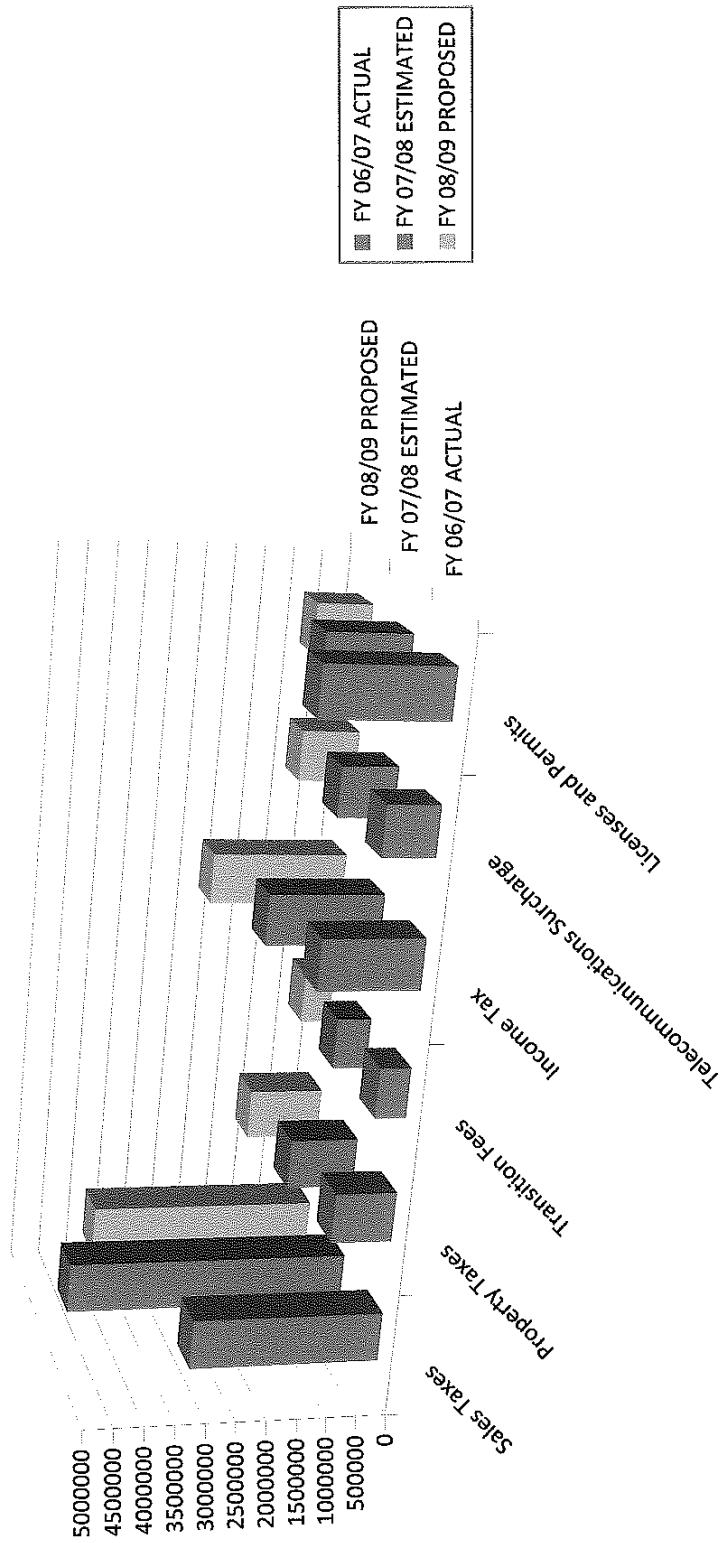
Department and Fund Expenditure Summary Charts

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 or 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 '08/'09 Budget

General Fund

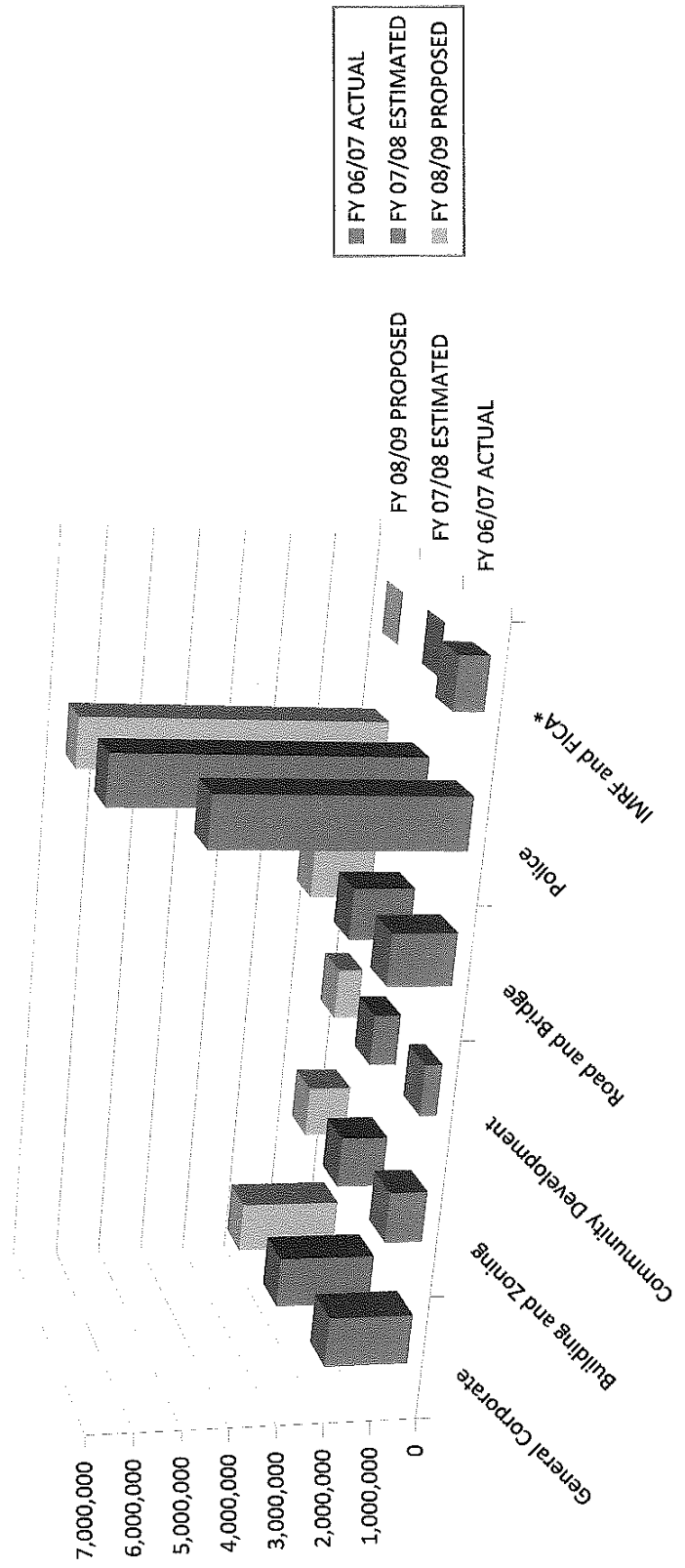
<u>EXPENDITURES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
General Corporate	1,800,107	2,222,642	2,091,535	2,201,939	-0.93%
Building and Zoning	800,395	1,024,328	997,561	926,891	-9.51%
Community Development	357,065	601,932	575,985	529,601	-12.02%
Road and Bridge	1,374,481	1,330,109	1,318,750	1,357,349	2.05%
Police	5,266,677	6,831,057	6,682,716	6,743,604	-1.28%
IMRF and FICA*	<u>633,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.00%
Sub-Total Expenditures	10,231,828	12,010,068	11,666,547	11,759,384	-2.09%
Transfer to Debt Service-Village Hall#	800,000	350,000	350,000	400,000	14.29%
Transfer to Debt Service-Douglas Road@	0	0	0	83,613	100.00%
Transfer to Police Pension Fund	<u>630,600</u>	<u>726,606</u>	<u>726,606</u>	<u>752,163</u>	3.52%
TOTAL EXPENDITURES	11,662,428	13,086,674	12,743,153	12,995,160	-0.70%

* 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-Village Hall pays for the bonds issued for the new Village Hall.

@ Note - The Transfer to Debt Service Fund-Douglas Road pays for the bonds issued for the Douglas Road project.

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 2007/2008 with a Fund Balance of \$5,003,264. Of this amount, \$97,538 was reserved for specific purposes meaning that there was \$4,905,726 unreserved that could be applied to any expenditure that the Village sees fit.

In FY 2007/2008, it was anticipated that revenues would total \$13,005,825 and expenditures would total \$12,743,153. This would leave the General Fund with a Fund Balance of \$5,265,936, or a 5 month reserve based upon annual expenditures of \$12,743,153. 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 2007/2008, the Village is between the minimum and recommended levels.

In FY 2008/2009, the Board has authorized budgeted revenues at \$13,312,305 and expenditures at \$12,995,160. This leaves a surplus of \$317,145 for the fiscal year and an ending Fund Balance of \$5,583,081. Based on this anticipated ending fund balance at the end of FY 2008/2009, the General Fund will have a reserve of 5.2 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 '08/'09 Budget

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

Beginning Fund Balance (4/30/07):	\$5,003,264
Anticipated Activity for Fiscal Year 07/08	
Revenues	13,005,825
Expenditures	<u>12,743,153</u>
Anticipated Surplus(Deficit)	262,672
Projected Fund Balance as of April 30, 2008:	\$5,265,936

GENERAL FUND - FUND BALANCE ANALYSIS
as of 4/30/2009

Projected Beginning Fund Balance (5/1/08):	\$5,265,936
Anticipated Activity for Fiscal Year 08/09:	
Revenues	13,312,305
Expenditures	<u>12,995,160</u>
Anticipated Surplus(Deficit)	317,145
Projected Fund Balance as of April 30, 2009:	\$5,583,081

**Village of Oswego
Fiscal Year '08/'09 Budget**

Fund Summary

	FY 06/07	FY 07/08	FY 08/09
	<u>Actual</u>	<u>Estimated</u>	<u>Proposed</u>
<u>Motor Fuel Tax Fund</u>			
Beginning Fund Balance	124,971	149,597	510,245
Revenues	628,915	677,763	716,817
Expenditures	<u>604,289</u>	<u>317,115</u>	<u>711,000</u>
Net Activity	24,626	360,648	5,817
Ending Fund Balance	149,597	510,245	516,062
<u>Water and Sewer Fund</u>			
Beginning Retained Earnings	39,320,383	43,241,882	46,632,992
Revenues and Other Financing Sources	9,969,740	10,206,611	13,035,419
Expenses, Debt and Capital Outlay	<u>6,048,241</u>	<u>6,815,501</u>	<u>7,147,732</u>
Net Activity	3,921,499	3,391,110	5,887,687
Ending Retained Earnings	43,241,882	46,632,992	52,520,679
<u>Capital Improvement Fund</u>			
Beginning Fund Balance	601,901	6,849,781	6,942,757
Revenues	10,778,413	7,830,937	9,545,239
Expenditures	<u>4,530,533</u>	<u>7,737,961</u>	<u>14,900,000</u>
Net Activity	6,247,880	92,976	(5,354,761)
Ending Fund Balance	6,849,781	6,942,757	1,587,996
<u>Garbage Collection Fund</u>			
Beginning Retained Earnings	194,933	244,107	256,819
Revenues	1,399,577	1,694,451	1,755,976
Expenses	<u>1,350,403</u>	<u>1,681,739</u>	<u>1,743,459</u>
Net Activity	49,174	12,712	12,517
Ending Retained Earnings	244,107	256,819	269,336
<u>Special Census Fund</u>			
Beginning Fund Balance	501,978	523,099	248,487
Revenues	21,121	16,093	7,500
Expenditures	0	<u>290,705</u>	<u>125,000</u>
Net Activity	21,121	(274,612)	(117,500)
Ending Fund Balance	523,099	248,487	130,987
<u>Debt Service Fund</u>			
Beginning Fund Balance	621,446	1,303,846	29,126
Revenues	1,186,775	656,360	1,491,448
Expenses	<u>504,375</u>	<u>1,931,080</u>	<u>1,491,847</u>
Net Activity	682,400	(1,274,720)	(399)
Ending Fund Balance	1,303,846	29,126	28,727
<u>Capital Reserve Fund</u>			
Beginning Fund Balance	0	0	874,252
Revenues	0	874,252	415,500
Expenditures	<u>0</u>	<u>0</u>	<u>685,182</u>
Net Activity	0	874,252	(269,682)
Ending Fund Balance	0	874,252	604,570
<u>Police Pension Fund</u>			
Beginning Net Assets	5,459,950	6,784,405	7,884,987
Additions	1,515,879	1,336,783	1,675,327
Deductions	<u>191,424</u>	<u>236,201</u>	<u>251,131</u>
Net Activity	1,324,455	1,100,582	1,424,196
Ending Net Assets	6,784,405	7,884,987	9,309,183

**Village of Oswego
Fiscal Year '08/'09 Budget**

CAPITAL EXPENDITURES BY FUND AND DEPARTMENT

General Fund Departments

<u>General Corporate</u>		
Computer Replacements	18,000	
Printer Replacements	<u>6,000</u>	24,000
<u>Police</u>		
Computer Work Stations	<u>13,500</u>	
		<u>13,500</u>
Total General Fund		37,500

Enterprise Funds

<u>Water and Sewer</u>		
Single Axle Dump Truck	125,000	
Pick-up Truck 4x4 w/Plow and Spreader	40,000	
Pick-up Truck	33,000	
New Well and Tower-West Side of Village	6,500,000	
Well #3 Driveway installation	15,000	
Manhole Relining Program	<u>10,000</u>	
		<u>6,723,000</u>
Total Enterprise Funds		6,723,000

Capital Projects Fund

<u>Capital Improvement Fund</u>		
Douglas Road Construction	9,000,000	
Police Facility	<u>5,900,000</u>	
		<u>14,900,000</u>
Total Capital Projects Fund		14,900,000

Motor Fuel Tax Fund

Roadway Program	<u>350,000</u>	
		<u>350,000</u>
Total Motor Fuel Tax Fund		350,000

TOTAL VILLAGE CAPITAL EXPENDITURES		\$22,010,500
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**Village of Oswego
Fiscal Year '08/'09 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 five out of the last six 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 the entire major roadway infrastructure in the Town Center area over FY's 2005/2006 and 2006/2007. The new Village Hall was completed in FY 07/08 at a total cost of almost \$12.8 million.

All the while these capital purchases are made, the Village has to afford its new staffing requests, as well. Over the last four fiscal years, the Villages staff size has increase from 112 total employees to 134. This is an increase of 22 employees or 5.5 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. However, there are no new staffing additions in FY 08/09. Total staffing remains at 134, including seasonal positions.

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.

**Village of Oswego
Fiscal Year '08/'09 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. The Village has two Debt Service Funds:

- The Debt Service Fund
- The Capital Reserve Fund

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 '08/'09 Budget**

CORPORATE

DEPARTMENT FUNCTION:

The Corporate section of the General Fund contains four 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.

Position	Fiscal Year 06/07	Fiscal Year 07/08	Fiscal Year 08/09
Village Administrator	1.0	1.0	1.0
Finance Director	1.0	1.0	1.0
Asst. Finance Director	1.0	1.0	1.0
Village Clerk	1.0	1.0	1.0
Office Manager	1.0	1.0	1.0
Human Resources Director	1.0	1.0	1.0
Staff Accountant	1.0	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	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0
Receptionist	1.0	1.0	2.0
IT Coordinator	1.0	0.0	0.0
Facilities Technician	1.0	1.0	0.0
Administrative Asst. (Comm. Relations)	0.5	0.5	0.5
TOTALS	15.5	15.5	15.5

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 the Village Clerk which reports 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. 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-sworn-police employees within the Village.

Finally, 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.

2007/2008 Administrative Objectives: Status

1. Complete the construction of the new Village Hall and move staff into the facility.

This objective has been accomplished.

2. Initiate a Performance Measurement system for the Village.

This objective is ongoing.

3. Initiate a Strategic Planning session for the Board and Staff.

This objective has been accomplished but will be ongoing.

4. Redevelopment of the old Alexander Lumber site.

This objective has been accomplished.

5. Sell the current Village Hall property for redevelopment.

This objective will continue into 2009.

6. Continue the Personnel Policy update.

This objective is ongoing.

7. Continue staff development and training.

This objective is ongoing.

8. Continue resolving old outstanding issues.

Many of these issues are resolved and the remaining are being worked on.

The Village Board and staff conducted a Strategic Planning retreat in the Spring of 2008. This session produced a set of six (6) broad goals that were approved by the entire group. The staff then identified specific strategies, objectives, responsibilities, time frames and performance indicators for each goal. This was presented to the Board and was approved unanimously.

2008/2009 Administrative Objectives

I. Develop, adopt and implement a set of core values.

The core values we will stress include honesty, integrity, cooperative teamwork, accountability and respect. To assist staff, we will accomplish the following:

- Continue staff training in various areas with emphasis on customer service and teambuilding.
- Increase and enhance communication between the Board and Staff.
- Continue customer evaluation surveys.
- Continue working on the Performance Measurement system.

II. Recruit, hire, develop and retain the best staff possible.

To accomplish this goal, we will research and investigate the following:

- Review the total insurance package offered to employees annually to provide the best, most economically feasible program that will retain employees.
- Research the availability of wellness programs for employees.
- Conduct bi-annual compensation studies.
- Continually review all leave policies for enhancements and inequities.
- Review and implement a comprehensive recruitment and hiring process.

III. Establish and implement a long range plan for the Village.

- Adopt a coordinated Orchard Road corridor plan.
- Partner with the Village of Montgomery on the Orchard Road area.

IV. Provide the resources to meet the Village's long range plan.

- Implement and accomplish the strategic planning goals of the Village.
- Investigate and develop alternative funding sources.

V. Develop opportunities for Board and Staff teambuilding and additional interactions.

- Implement semi-annual Board/Staff social event.
- Continue annual Strategic Planning retreat.
- Develop new-trustee orientation program.
- Establish quarterly elected/staff meetings.

VI. Ensure that Village programs, facilities and services meet the needs of the community.

- Each Department annually evaluates and analyzes services provided.
- Conduct surveys of citizens, staff and other communities on services provided or needed and costs associated with each.

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 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 Finance Director also serves as the Purchasing Director for the Village. As such, the Finance Director monitors the purchases of all Village departments to insure that the Village's purchasing policy is followed. The Finance Director also serves as the Treasurer on the Board of the Police Pension Fund. In this capacity, the Finance Director's role is to safeguard the assets of the pension fund. 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. The Assistant Finance Director is in charge of the annual Village audit and manages the day-to-day activities of the department. The department also has a part-time Accounts Payable Clerk who splits time equally each week between Finance and the Village clerk's office.

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.

2007/2008 Finance Department Objectives: Status

1. Determine the borrowing needs for the Water and Sewer Fund for the new Village Hall project.

This objective has been completed. Bonds were issued in December, 2007.

2. Determine the borrowing needs for the Village for the Douglas Road project.

Bonds were issued in December, 2007 for this project. Bids for the project came in lower than staff had estimated in January, 2008. There is a funding gap for this project that will need to be filled but a bond issuance may not be the best route to complete the financing. This objective will be carried forward to FY 08/09.

3. Evaluate funding options for Wolf Road, the Public Works facility expansion and the construction of a new Police facility.

The Wolf Road expansion and new Police facility are projects that will be aided by the Village becoming a Home-Rule entity and will allow increased funding options for these projects. The funding planning decisions for these two projects will continue into FY 08/09. The Public Works facility expansion has been put on hold until at least FY 09/10 due to smaller resources available in FY 08/09 to support this project.

4. Complete transfer of oversight of day-to-day operations of the Finance department to the Assistant Finance Director.

This process is ongoing due to the staffing levels of the Finance department staying the same while the workloads have increased. However, with payroll being outsourced starting in FY 08/09, this process should be completed in FY 08/09.

5. Prepare financially and managerially for the move to the new Village Hall.

This task will be completed once the move to the new Village Hall is complete.

6. Revamp the accounts payable system along with creation of new forms.

This process started in late FY 07/08 and will continue into FY 08/09.

7. Invest in departmental training on recent GASB pronouncements.

This has occurred and will be an ongoing objective.

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.

This has been done for water and sewer fees. Staff has proposed to the Board that a comprehensive study of water and sewer rates be conducted in FY 08/09. This is a continuing objective for the Finance department.

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.

The special full census will begin close to the end of FY 07/08 and continue into the beginning of FY 08/09.

10. Investigate and/or institute the Board goals that will be overseen by the Finance department.

This has been accomplished and will be an ongoing objective each fiscal year.

Fiscal Year 2008/2009 Finance Department Objectives

1. Finalize the borrowing needs for the Village for the Douglas Road project.
2. Evaluate funding options for Wolf Road, the Public Works facility expansion and the construction of a new Police facility.
3. Complete transfer of oversight of day-to-day operations of the Finance department to the Assistant Finance Director.
4. Complete the revamping of the accounts payable system along with creation of new forms.
5. Invest in departmental training on recent GASB pronouncements.
6. Survey surrounding and like-sized communities to benchmark the Village's fees to those of similarly sized and structured municipalities.
7. Determine if there are revenue enhancement possibilities by developing new fees (i.e. tear downs) for the Village.

8. Begin studying the impact of becoming a Home Rule authority Village.
9. Institute an inventory control program for office supplies in the new Village Hall. Begin expanding inventory control procedures for all departments in the Village.
10. Assist in economic development decisions for the downtown as well as the entire Village.
11. Assist the Office Manager with the completion of the special full census.
12. Continue the conservative budget approach that was employed in the FY 08/09 budget process due to the slowdown in the housing market and economy, if it is warranted, for the FY 09/10 budget process.

<u>Performance Measures</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008 (est.)</u>
Payroll checks processed:	3,452	3,807	3,998
Accounts Payable checks processed:	4,276	3,015	3,243

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 2007/2008 Village Clerk's Office Objectives: Status

1. Implement Document Management System.

Everything is in place to order and implement this system; this may not be put in place until after the move to the new Village Hall. Money for the LaserFiche system is included in the FY 07/08 Budget.

2. Establish a system for Records Management throughout the Village departments.

In conjunction with the move, all departments are purging unnecessary records. While doing this, they will also put in place a system of their choosing to manage their records. Each year the Village will apply to dispose of any unnecessary records. The Clerk's Office will assist when needed.

3. Review Village records with the Local Records Commission to determine which records may be destroyed.

An application has been made to the state; the Clerk's office is in the process of going through all Village records. The hope is to have this initial step completed by the end of 2007. Then, the Village will need to send the list of records to the state for approval to destroy. It takes about sixty (60) days to complete this approval process. There should be an approval before the move.

4. Assist the various departments to prepare Village records and files for the move to the new Village Hall.

The Clerk's office has been working closely with other departments to consolidate files; re-file using new system; and determine which records will be moved and where they will be held.

5. Continue to cross train staff so that office runs smoothly even when there are absences in the department.

This is an ongoing process; the Clerk's office has added two (2) new duties; the Special Event Permits and Business Registrations previously processed through Building and Zoning are now being processed through the Clerk's office; the Clerk's office is reviewing these processes and cross training staff.

6. Consider the change of the Clerk's part-time assistant to full-time.

The Clerk's office has been struggling to keep up with all of the duties and responsibilities of this office with a limited number of staff. The office has recently taken over two (2) processes from the Building and Zoning Department; the Business Registration and the Special Event Permits with no additional staff. This department is comprised of the Clerk; one (1) full-time Administrative

Assistant/Deputy Clerk; and one (1) part-time person. The Clerk's office has been working under these conditions knowing that there was just no room for additional staff at our current location. With the move to the new Village Hall, there will now have room for the staff necessary to run this office efficiently and professionally. The Clerk would like to request that the part-time position be made full-time as soon as possible.

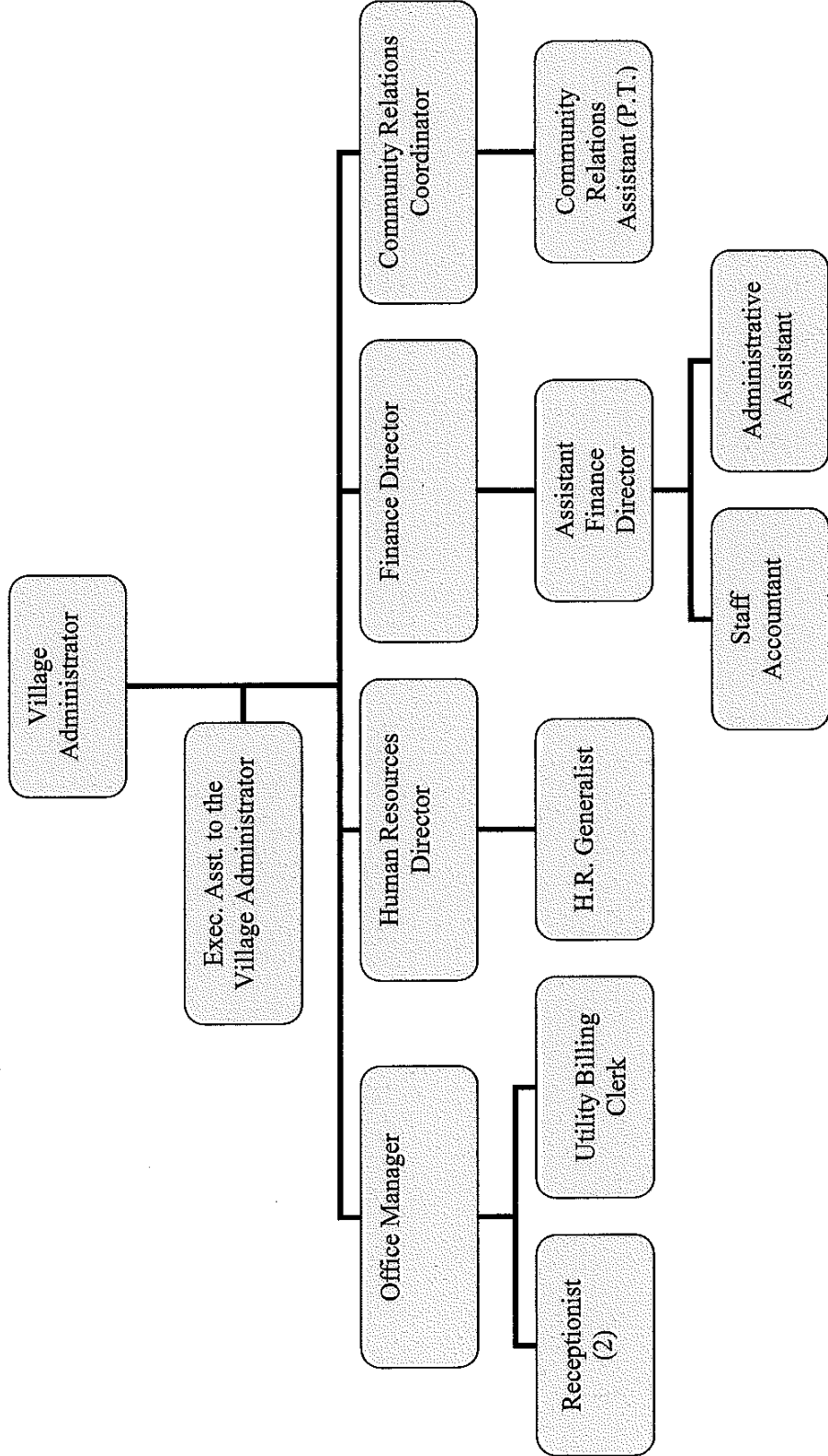
7. Assist the Board in the achievement of their goals.

The Clerk's office continues to assist the Board in the achievement of their goals.

FY 2008/2009 Village Clerk's Office Objectives

1. Implement a document management system.
2. Establish a system for records management throughout the Village departments.
3. Continue to professionalize the Village Clerk's office.
4. Work with the Legislative, Policy and Human Resource Committee to review Village ordinances.
5. Address the staffing needs of the Clerk's office.
6. Continue to cross-train the Clerk's office staff.
7. Assist the Board in the achievement of their goals.

CORPORATE ORGANIZATIONAL CHART



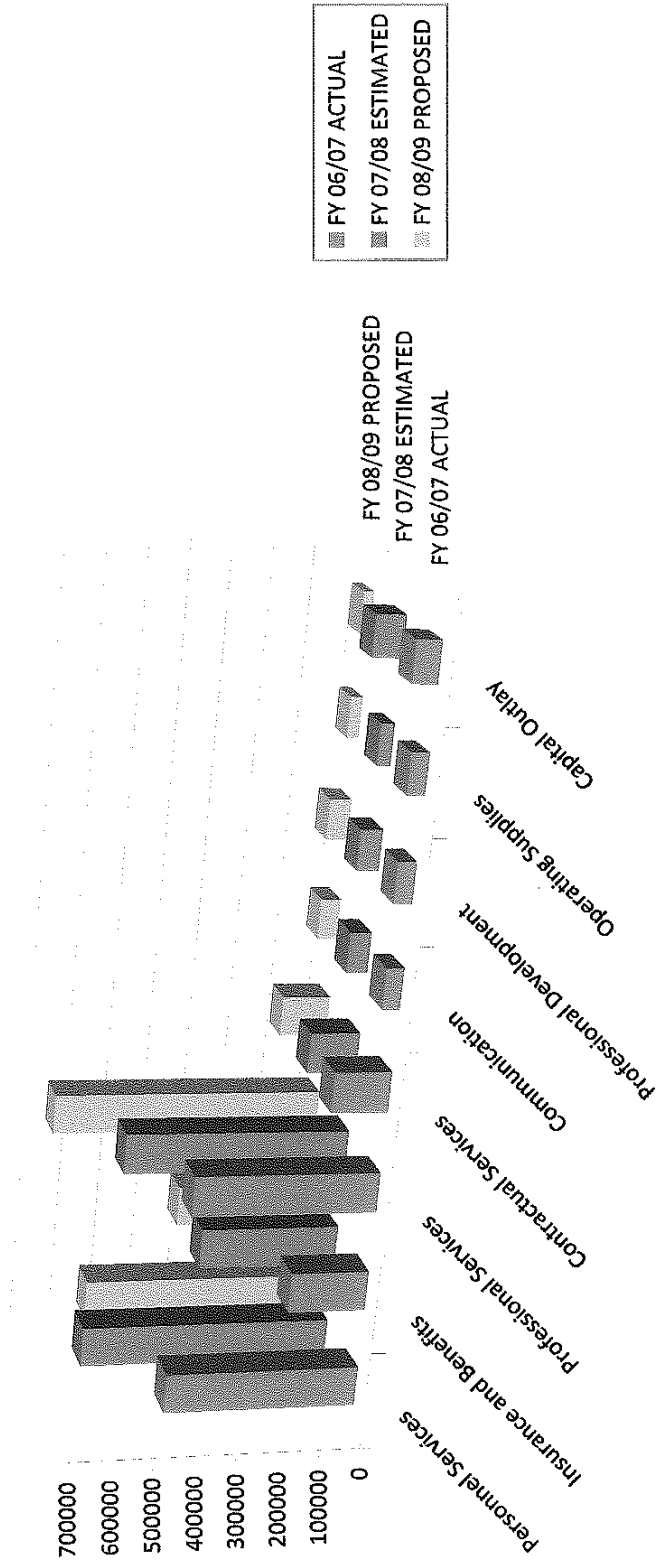
VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

General Fund

GENERAL CORPORATE SUMMARY

<u>EXPENDITURES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	PERCENT CHANGE
Personnel Services					
Salaries Full-Time	828,992	861,440	850,845	902,161	5%
Salaries Part-Time	6,235	14,479	14,479	15,405	6%
Overtime	0	1,000	500	1,000	0%
Stipends	<u>21,738</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	0%
Total Personnel Services	856,965	898,919	887,824	940,566	5%
Insurance and Benefits	184,573	341,008	336,166	332,913	-2%
Professional Services	437,639	622,850	541,559	660,950	6%
Contractual Services	134,250	128,219	118,146	116,354	-9%
Communication	42,571	56,500	50,400	47,000	-17%
Professional Development	43,126	68,861	53,029	51,906	-25%
Operating Supplies	41,603	34,735	32,311	28,250	-19%
Capital Outlay	<u>59,380</u>	<u>71,550</u>	<u>72,100</u>	<u>24,000</u>	-66%
TOTAL EXPENDITURES	1,800,107	2,222,642	2,091,535	2,201,939	-1%

Village of Oswego
Corporate Department Operating Expenditures



**Village of Oswego
Fiscal Year '08/'09 Budget**

General Fund

CORPORATE

01-01

Personnel Services

50-6210	Salaries, Full-Time	892,661
50-6222	Salaries, Part-Time	15,405
50-6230	Overtime	1,000
50-6245	Salaries, Elected Officials	9,500
50-6250	Meeting Stipend	<u>22,000</u>
Total Personnel Services		940,566

Insurance and Benefits

51-6310	FICA, Village Share	67,503
51-6315	IMRF, Village Share	85,842
51-6330	Health Insurance	168,652
51-6335	Dental Insurance	<u>10,916</u>
Total Insurance and Benefits		332,913

Professional Services

52-6405	Auditing Expense	25,050
52-6470	Economic Development Oswego Economic Development Corporation Total Economic Development	85,000
52-6480	Engineering Service	30,000
52-6520	Legal Service Village Corporation Counsel	175,000
52-6522	IT Services Contractual IT Administration	120,000

52-6523	Payroll Services		22,000
52-6525	Downtown Facade Program		20,000
52-6530	Miscellaneous Professional Service		
	Distinguished Budget Presentation(GFOA)	400	
	CAFR Audit Award(GFOA)	500	
	Facilitator for Strategic Planning	2,500	
	Employee Assistance Program (EAP)	2,400	
	Village Meeting Video Production Services	2,400	
	Computer Training	5,000	
	Actuarial/Consultation Services	7,000	
	Miscellaneous Professional Services	<u>5,000</u>	
	Total Miscellaneous Professional Service		25,200
52-6537	Web Site		4,000
52-6750	Decorations		2,500
	Various holiday decorations for downtown		
52-6760	Human Resources Professional Services		
	Employee Appreciation	4,500	
	Flex Spending	1,200	
	Wellness Program	1,000	
	Length of Service Awards	<u>1,000</u>	
	Total Human Resources Professional Services		7,700
52-6790	Community Relations Professional Services		
	Fireworks Fun Fling & Fireworks	6,000	
	Wine on the Fox	5,000	
	Dragstrip Days	1,000	
	House Walk	500	
	Citizen Committee for Women	2,000	
	PrairieFest	500	
	Senior Committee	2,000	
	Youth Committee	1,000	
	Art Fair	5,000	
	Job Fair	1,000	
	Village Pride	500	
	Christmas Walk	5,000	
	Community Relations	1,000	
	-ground breakings, condolences, citizen awareness		
	175th Anniversary Celebration	6,000	
	Movies in the Park	<u>500</u>	
	Total Community Relations		37,000

52-6840	PACE Services		<u>107,500</u>
	Total Professional Services		660,950
<u>Contractual Services</u>			
53-6325	Unemployment Insurance		21,089
53-6420	Cleaning Service		24,000
	Cleaning Services for the New Village Hall		
53-6500	General Insurance		29,165
	I.M.L. Insurance, Life Insurance, Bonds		
53-6605	Property Tax Rebate		1,250
	Westphal Chevrolet		
53-6807	Newsletter Delivery		22,000
	4 Newsletters		
53-7310	Maintenance, Building		2,000
	Various Maintenance and Upkeep on Village Hall		
53-7315	Maintenance, Equipment		
	Maint. Contract on Village Computer Software	7,650	
	Maint. Contract on Village Hall Telephone Sys.	4,400	
	Maint. Contracts on LaserFiche	1,200	
	Maint. Contracts on Office Equipment	<u>3,600</u>	
	Total Maintenance, Equipment		16,850
	Total Contractual Services		116,354
<u>Communication</u>			
54-6505	Codification Expense		5,500
	Sterling Codifiers - Update of Code Books		
54-6550	Printing Expense		3,000
	Various Forms and Stationary		
54-6715	Advertising, Bids and Records		2,500
	Legally Required Village Postings; Job Advertising		

54-6720	HR Advertising Advertising for Open Village Positions	3,500
54-6725	Community Relations Advertising	1,000
54-6765	Postage and Freight	9,500
54-6785	Telephone Expense Village Hall Telephone Service; Nextel Service	<u>22,000</u>
	Total Communication	47,000

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	5,000	
	ICSC Conference	3,220	
	Mileage Reimbursements	2,500	
	IML Conference	7,500	
	HR Village-wide Training	3,500	
	Various Training Seminars	<u>3,000</u>	
	Total Travel and Training		34,220
55-6567	Meeting Expense		
	Supplies for Board and Committee Meetings	500	
	Food for Board and Committee Meetings	<u>1,600</u>	
			2,100
55-6730	Dues		
	International City Managers Association(ICMA)	600	
	Illinois City Managers Association (ILCMA)	1,116	
	Metro Managers	100	
	Conservation Foundation	100	
	HR Dues	870	
	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>15,586</u>
	Total Professional Development		51,906
<u>Operating Supplies</u>			
56-6720	Books and Publications		1,650
56-6735	Gasoline		1,000
56-6740	Office Supplies		
	Minute Books	900	
	Fax, Copier and Computer Paper	6,000	
	Printer Cartridges and Copier Toner	1,700	
	Village Clerk Filing Supplies	2,000	
	Filing Supplies	1,500	
	Budget Production Materials	1,000	
	Various Office Supplies	<u>3,500</u>	
	Total Office Supplies		16,600
56-6750	Computer Supplies		7,500
	Consumable Tech Supplies		
56-6806	Miscellaneous		<u>1,500</u>
	Bottled water for Village Hall		
	Total Operating Supplies		28,250
<u>Capital Outlay</u>			
57-7822	Computer Hardware		
	Computer Replacements, Laptops & Printers	<u>24,000</u>	
	Total Computer Hardware		24,000
	Total Capital Outlay		24,000
TOTAL CORPORATE			2,201,939

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**Village of Oswego
Fiscal Year '08/'09 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 Department Manager, four building inspectors, one full-time and one part-time code enforcement officers, one licensed plumbing inspector and four full-time 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.

Position	Fiscal Year 06/07	Fiscal Year 07/08	Fiscal Year 08/09
Building and Zoning Department Manager	1.0	1.0	1.0
Chief Building Inspector	1.0	1.0	1.0
Senior Inspector	1.0	1.0	0
Inspector	2.0	2.0	3.0
Plumbing Inspector	1.0	1.0	1.0
Building and Zoning Administrative Assistant	4.0	3.0	3.0
Code Enforcement Officer	1.5	1.5	1.5
Permit Coordinator	0.0	1.0	1.0
TOTALS	11.5	11.5	11.5

2007/2008 Building and Zoning Department Objectives:

1. Continue education through seminars and ICC certification testing.

<i>Mike Fisher:</i>	<i>2008 Electrical Code Update Class (9 hours) Understanding the 2006 International Building Code Understanding the 2005 National Electrical Code Continues Load Path</i>
<i>Ron Fox:</i>	<i>Certified Building Official Series (human resources) NFPA 101 Seminar Significant Changes to the 2009 NFPA 70 (NEC) 2008 Electrical Code Update Class (9 hours)</i>
<i>Matt Burlingame:</i>	<i>Understanding the 2005 National Electric Code 2008 Electrical Code Update Class (9 hours)</i>
<i>Hector Justiz:</i>	<i>Understanding the 2005 National Electric Code 2008 Electrical Code Update Class (9 hours)</i>
<i>Rick Morphey:</i>	<i>Understanding the 2005 National Electric Code 2008 Electrical Code Update Class (9 hours) Renewed Plumbing license (4 hours) Renewed Well license (4 hours) Simpson Strong-Tie Walls (4 hours)</i>
<i>Kerry Gregory</i>	<i>Understanding the 2006 International Residential Code Understanding Basic Blue Print Reading Court Decisions on Liability & Building Codes Lead Exposure in Code Enforcement Hoarding and Obsessive-Compulsive (w/regard to Code Enforcement)</i>

2. Improve customer service through education and policy changes.

The following procedures were implemented as of August 1:

Phone calls returned same day; phones answered through closing time of the department (versus shutting phones off up to one hour prior to closing)

Next day inspections accommodated whenever possible

Inspector schedules changed to allow one inspector to be in the office at all times to answer questions and concerns of customers at the counter.

Two to three day turn around on accessory permits (versus up to five weeks)

Approximately five day turnaround of residential building plans (versus up to five weeks)

3. Complete Departmental policies and procedure guidelines.

See response to FY 07/08 objective #2.

4. Encourage Building and Zoning office assistants to join building trade associations to stay abreast of current and future permitting trends.

The Chief Building Inspector is a member of the ICC and NFPA

5. Research offering residents and contractors training classes for permit related projects.

*This project is proposed for the spring during Safety Awareness Week.
Working to implement this program in 08/09.*

6. Initiate monthly scheduled court dates through possible administrative adjudication system with the Police Department.

Working to implement this program in 08/09.

7. Participate in International Code Council (ICC) Safety Awareness Week.

Working to implement this participation in 08/09.

8. The Department needs to establish a quarterly job share experience program for Permit Coordinators and Field Inspectors.

Cross training was conducted with the Permit Coordinator and the inspectors giving both an opportunity to understand how their roles affect one another.

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

Continue to update as needed.

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

Working to implement this program in 08/09.

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

Building & Zoning has provided in depth articles for the Village newsletter each quarter, beginning August 1, covering such subjects as code issues (signs, garage sales, etc.) as well as safety related stories (pool safety, permit requirements and contractor advice, etc.). Brochures

have been developed for a number of the same issues which are shared with residents as they apply for or pick up specific permits.

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

Completed.

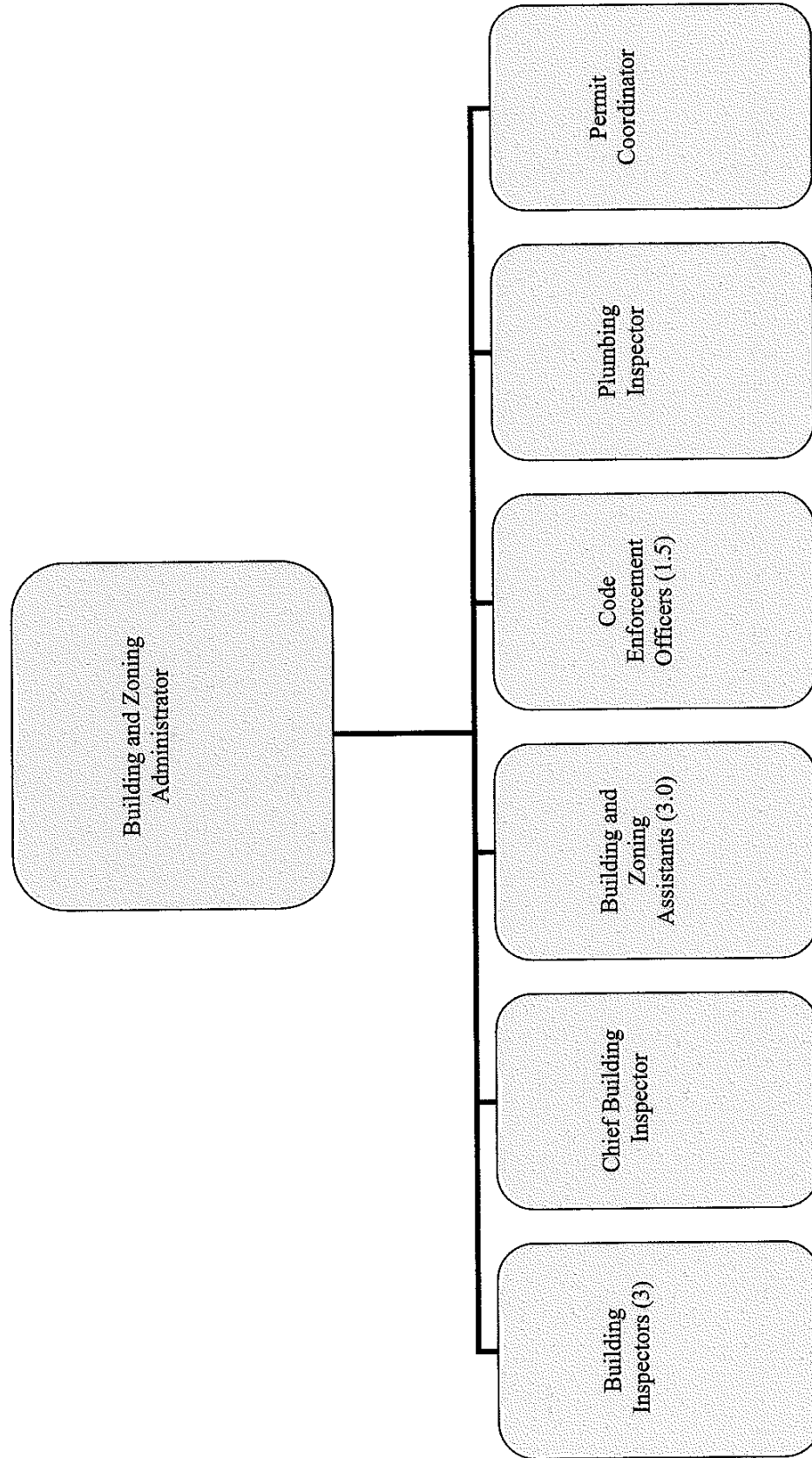
2008/2009 Building and Zoning Department Objectives:

1. Continue education through seminars and ICC certification testing.
2. Continue to improve customer service through education and policy changes.
3. Complete, Revise and update Departmental policies and procedure guidelines.
4. Encourage Building and Zoning inspectors to join building trade associations to stay abreast of current and future permitting trends.
5. Initiate monthly scheduled court dates through administrative adjudication system with the Police Department.
6. Participate in International Code Council (ICC) Safety Awareness Week.
7. Enhance building permit information on the website as necessary.
8. Encourage certification for the administrative office to enhance ISO ratings.
9. Develop and implement homeowner education programs by designing handouts, brochures and writing articles for the Village newsletter.

YEARLY PERMIT COUNT
permits (units)

Description	<u>2006</u>	<u>2007</u>	<u>2008 (EST.)</u>
Single Family Residence	372	224	150
Two Family Residence	6	8	6
Multi-Family Residence	224	117	40
Senior Housing – Single Family	61	60	15
Senior Housing – Duplex	32	26	5
Senior-Multi-Family Residence	0	1	1
Industrial	5	1	2
Commercial	23	26	12
Commercial/Industrial Build outs/Remodels	68	67	10
Residential Addition	21	17	10
Remodeling	47	46	25
Accessory Structures	967	757	560
Roofing	46	90	50
Misc. Improvements	199	231	150
Sign	108	153	100
Demolition	4	3	2

BUILDING AND ZONING ORGANIZATIONAL CHART



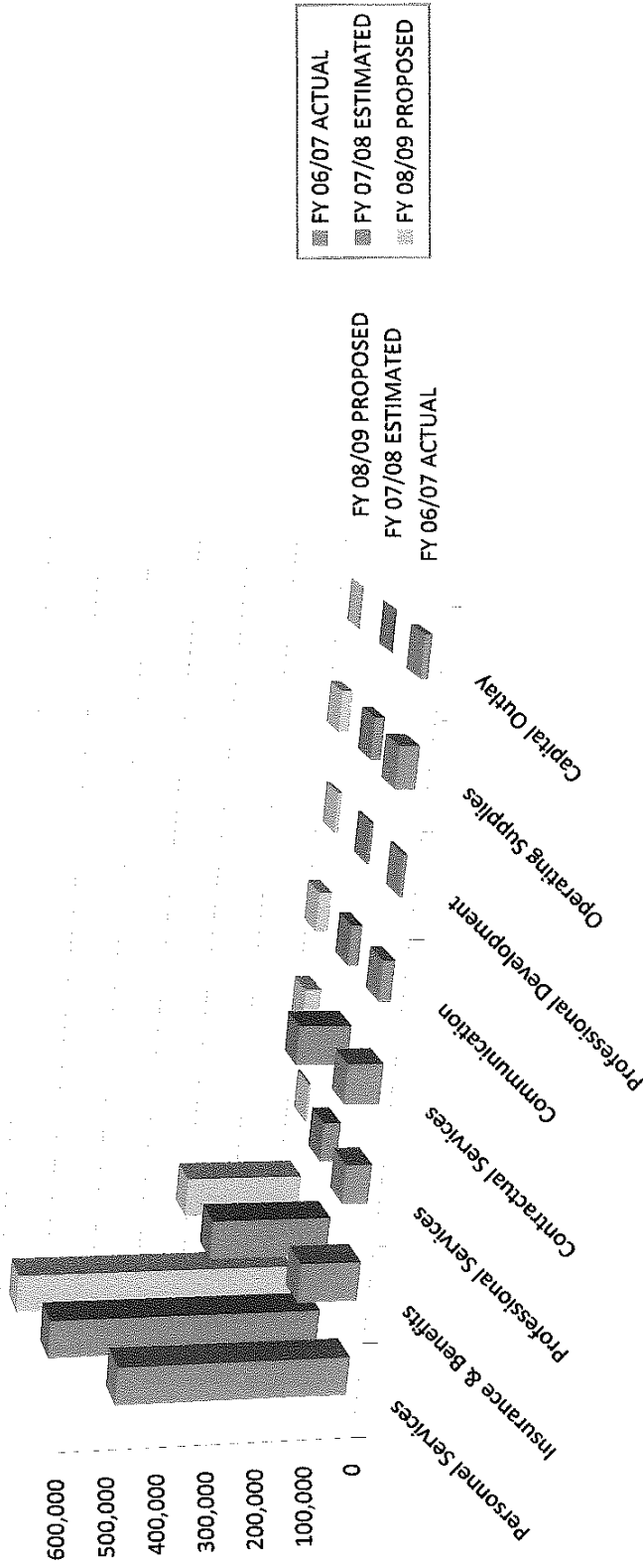
VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

General Fund

BUILDING AND ZONING SUMMARY

<u>EXPENDITURES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	PERCENT CHANGE
Personnel Services					
Salaries Full-Time	447,554	533,015	538,163	560,078	5%
Salaries Part-Time	21,248	25,936	25,452	27,338	5%
Overtime	3,062	6,500	1,500	3,500	-46%
Stipends	<u>1,439</u>	<u>2,500</u>	<u>500</u>	<u>1,000</u>	-60%
Total Personnel Services	473,303	567,951	565,615	591,916	4%
Insurance & Benefits	121,582	256,209	245,300	245,281	-4%
Professional Services	52,148	26,000	34,415	4,500	-83%
Contractual Services	70,342	111,988	105,849	32,394	-71%
Communication	23,649	24,500	21,500	24,800	1%
Professional Development	6,250	7,000	5,000	7,000	0%
Operating Supplies	39,167	25,000	19,882	21,000	-16%
Capital Outlay	<u>13,954</u>	<u>5,680</u>	<u>0</u>	<u>0</u>	-100%
TOTAL EXPENDITURES	800,395	1,024,328	997,561	926,891	-10%

Village of Oswego
 Building Zoning Department Operating Expenditures



**Village of Oswego
Fiscal Year '08/'09 Budget**

General Fund

BUILDING AND ZONING

01-03

Personnel Services

50-6210	Salaries, Full-Time	560,078
50-6222	Salaries, Part-Time	27,338
50-6230	Overtime	3,500
50-6250	Meeting Stipend	<u>1,000</u>
Total Personnel Services		591,916

Insurance and Benefits

51-6310	FICA, Village Share	44,532
51-6315	IMRF, Village Share	55,623
51-6330	Health Insurance	135,510
51-6335	Dental Insurance	<u>9,616</u>
Total Insurance and Benefits		245,281

Professional Services

52-6415	Plumbing Inspections Part-time inspector @ \$25.00 per inspection	500
52-6530	Miscellaneous Professional Services	<u>4,000</u>
Total Professional Services		4,500

Contractual Services

53-6500	General Insurance Illinois Municipal League liability insurance, life insurance	21,894
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53-6555	Rental Expense B&Z Office Rental	7,000
53-7315	Maintenance, Equipment Office equipment upkeep and maintenance	500
53-7325	Maintenance, Vehicles Maintenance on Building and Zoning vehicle fleet	<u>3,000</u>
Total Contractual Services		32,394

Communication

54-6550	Printing Expense Printing of Subdivision Reg. Comp. Plans Printing of Downtown Plans	2,200
54-6715	Advertising, Bids and Records	600
54-6765	Postage and Freight	7,000
54-6785	Telephone Expense Nextels and landline telephone costs	<u>15,000</u>
Total Communication		24,800

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>
Total Professional Development		7,000

Operating Supplies

56-6720	Books and Publications 2003 International Building Code 2002 National Fire Code ASTM Standards	2,500
56-6735	Gasoline Fuel for six (6) Village owned vehicles	9,000
56-6740	Office Supplies Printer replacement for front office and various office supplies such as copy paper, printer cartridges, toner, etc.	8,000
56-6825	Uniform Allowance Uniforms and clothing for Building Inspectors(summer only), Code Enforcement Officer and Building and Zoning Director	<u>1,500</u>
	Total Operating Supplies	21,000
	TOTAL BUILDING AND ZONING	926,891

**Village of Oswego
Fiscal Year '08/'09 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/Building and Zoning Committee, Historic Preservation Commission, ECO Commission 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.

Position	Fiscal Year 06/07	Fiscal Year 07/08	Fiscal Year 08/09
Community Development Director	1.0	1.0	1.0
Planner	2.0	3.0	3.0
Senior Planner	1.0	0.0	0.0
Mapping Technician	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
Totals	6.0	6.0	6.0

Fiscal Year 2007/2008 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. Maintain the 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. Process amendments 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. Several sections have been revised, with the majority of the revisions to occur over the next two years.

4. 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. 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 and Street Maps.

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

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

Staff provides a monthly report summarizing the status of the department's activities. This report was revised during the last year to make it easier to follow.

10. Initiate an overall Transportation Plan for the Village.

The Village prepared a Request for Proposals for the Transportation Plan. The planning process will occur during this budget year.

11. Update the Village's Downtown Plan.

The Village solicited proposals for the update of the Downtown Plan. A planning firm was selected and work has begun on the update. It is anticipated to be completed in the Fall of 2008.

Fiscal Year 2008/2009 Objectives

General Departmental 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.

Strategic Planning Goals

1. Continue to complete the update to the Downtown Plan. Background work has been completed. Final document presentation is anticipated for Fall 2008. Implementation strategies to occur in 2009.
2. Continue to work on a transportation plan. Select a planning firm to complete the work within calendar year 2008.
3. Review the Village's Comprehensive Plan to determine if areas require further discussion and possible updates.
4. Review vehicle purchasing program to investigate adopting a hybrid vehicle purchasing policy for next budget year.
5. Work with the Oswego Economic Development Corporation, the Plan Commission, and the Village Board to develop a strategy for the Orchard Road industrial corridor.

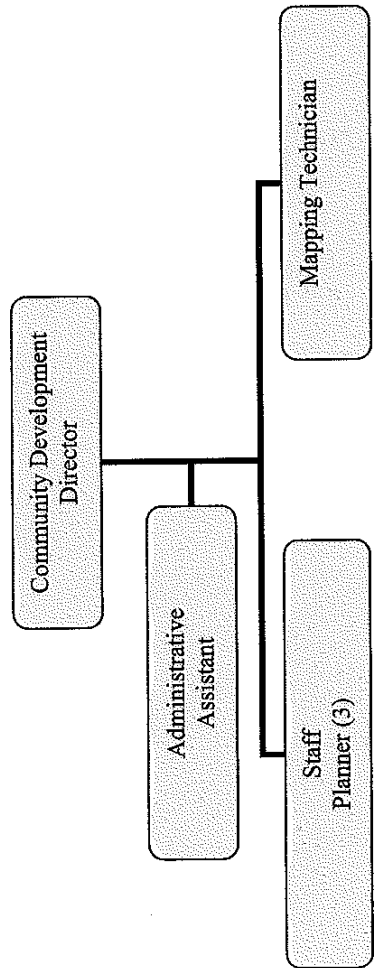
Performance Measures	2003	2004	2005	2006	2007
Annexation	7	11	10	7	6
Annexation Agreement	7	11	14	6	6
Rezoning: Residential	4	8	10	6	4
Rezoning: Commercial	3	6	2	11	5
Rezoning: Manufacturing	0	0	0	0	0
Concept Plan: Residential	3	3	1	0	3
Concept Plan: Commercial	1	1	2	2	1
Concept Plan: Manufacturing	0	0	0	0	0
PUD Agreement: Residential	0	0	0	2	3
PUD Agreement: Commercial	2	3	1	2	3
PUD Agreement: Manufacturing	0	0	0	0	0
Preliminary PUD: Residential	8	12	9	6	2
Preliminary PUD: Commercial	2	7	5	15	5
Preliminary PUD: Manufacturing	0	0	0	0	0
Preliminary Plat: Residential	7	12	6	4	0
Preliminary Plat: Commercial	2	5	3	10	1
Preliminary Plat: Manufacturing	0	0	0	0	0
Final PUD: Residential	13	12	7	11	1
Final PUD: Commercial	9	9	20	36	28
Final PUD: Manufacturing	4	0	3	0	1
Final Plat: Residential	13	15	6	9	0
Final Plat: Commercial	4	4	8	12	9
Final Plat: Manufacturing	0	0	0	0	0

Special Use Permit: Residential	1	0	0	0	0
Special Use Permit: Commercial	1	2	1	4	8
Special Use Permit: Manufacturing	4	0	1	0	0
Site Plan: Staff Review Only	4	2	3	2	0
Site Plan:	0	1	0	0	3
Variances: Residential	2	2	0	7	5
Variances: Non-Residential	3	0	0	2	3
Zoning Ordinance Text Amendments	2	1	3	0	5
County Jurisdictional Review	3	1	3	2	3
Total Year-End Requested Actions	109	128	118	156	105
Projects Processed	2003	2004	2005	2006	2007
Plan Commission	55	63	67	81	56
Zoning Board of Appeals	5	2	0	9	8
Total Year-End Projects Processed	60	65	67	89	64

LENGTH OF REVIEW PROCESS			
	2005	2006	2007
Average number of days between application submittal and Plan Commission Meeting	76 days	28 days	22 days
Days between application and Village Board decision	132 days	73 days	87 days

NUMBER OF TIMES REQUIRED TO SUBMIT FOR REVIEW		
	2006	2007
Number of Plans Reviewed	407	529
Average number of times a plan was submitted/resubmitted	1.76	2.4

**COMMUNITY DEVELOPMENT DEPARTMENT
ORGANIZATIONAL CHART**



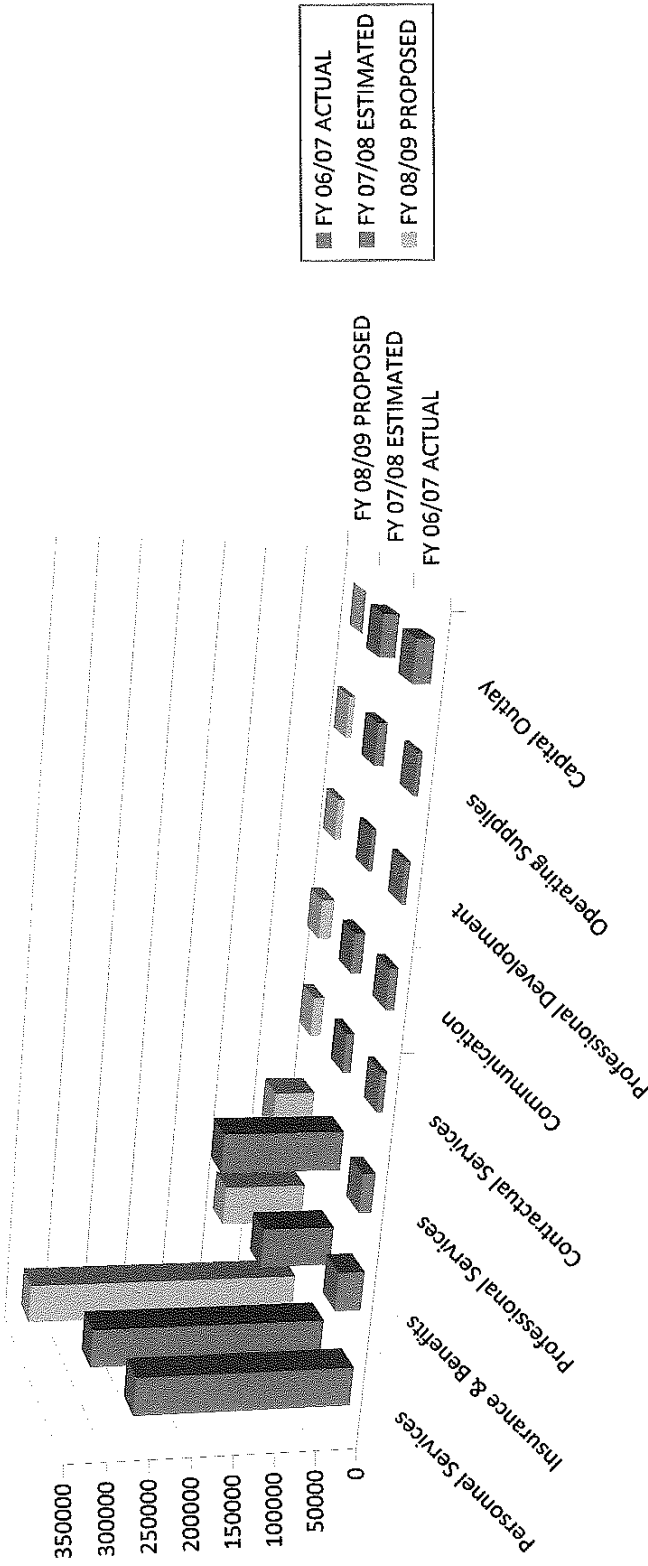
VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

General Fund

COMMUNITY DEVELOPMENT SUMMARY

<u>EXPENDITURES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
Personnel Services					
Salaries Full-Time	259,635	279,632	279,263	330,035	18%
Salaries Part-Time	0	3,500	5,180	3,500	0%
Overtime	<u>3,161</u>	<u>6,000</u>	<u>2,500</u>	<u>4,000</u>	-33%
Total Personnel Services	262,796	289,132	286,943	337,535	17%
Insurance & Benefits	31,223	82,108	86,550	101,278	23%
Professional Services	15,105	158,000	146,600	49,000	-69%
Contractual Services	7,070	15,342	9,442	12,688	-17%
Communication	10,136	16,400	12,500	15,000	-9%
Professional Development	5,161	6,500	4,500	7,500	15%
Operating Supplies	4,890	10,950	10,950	6,600	-40%
Capital Outlay	<u>20,684</u>	<u>23,500</u>	<u>18,500</u>	<u>0</u>	-100%
TOTAL EXPENDITURES	357,065	601,932	575,985	529,601	-12%

Village of Oswego
Community Development Department Operating Expenditures



**Village of Oswego
Fiscal Year '08/'09 Budget**

General Fund

COMMUNITY DEVELOPMENT

01-04

Personnel Services

50-6210	Salaries, Full-Time	330,035
50-6222	Salaries, Part-Time	3,500
50-6230	Overtime	<u>4,000</u>
Total Personnel Services		337,535

Insurance and Benefits

51-6310	FICA, Village Share	25,497
51-6315	IMRF, Village Share	31,917
51-6330	Health Insurance	41,240
51-6335	Dental Insurance	<u>2,624</u>
Total Insurance and Benefits		101,278

Professional Services

52-6530	Miscellaneous Professional Services	
	Miscellaneous consultant services(Downtown Study)	<u>36,000</u>
	Total Miscellaneous Professional Services	36,000
52-6760	Plan Commission	3,500
	Meeting stipend, planning related seminars/conferences	
52-6792	Environmentally Conscious Oswegoans(ECO) Committee	6,000
	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 Promotes the retainage of the historic features of the Village	<u>2,000</u>
Total Professional Services		49,000

Contractual Services

53-6500	General Insurance Illinois Municipal League liability insurance; life insurance	9,188
53-7315	Maintenance, Equipment Service work for the plotter	500
53-7830	Mapping Expense Sidwell Aerial Maps	<u>3,000</u>
Total Contractual Services		12,688

Communication

54-6550	Printing Expense	
	Comprehensive Plans	500
	Zoning Ordinance	200
	Comprehensive Downtown Plans	2,500
	Business Cards	300
	Printing supplies for map reproduction for other departments and agencies	<u>500</u>
	Total Printing Expense	4,000
54-6715	Advertising, Bids and Records Posting of legal notices, job ads, requests for proposals, etc.	500
54-6765	Postage and Freight	2,500
54-6785	Telephone Expense SBC and Nextel services	<u>8,000</u>
Total Communication		15,000

Professional Development

55-6566	Travel and Training		
	ICSC Conference	3,220	
	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	<u>2,780</u>	
	Total Travel and Training		6,000
55-6730	Dues		<u>1,500</u>
	American Planning Association(APA)		
	American Institute of Certified Planners(AICP)		
	Illinois Geographic Information System Association (ILGIS)		
	Total Professional Development		7,500

Operating Supplies

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		5,000
	Various file folders, stationary, paper, pens, etc.		
56-6806	Miscellaneous		250
56-7835	Office Equipment		<u>350</u>
	Total Operating Supplies		6,600

TOTAL COMMUNITY DEVELOPMENT **529,601**

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**Village of Oswego
Fiscal Year '08/'09 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. The Village has approximately 260 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 2,113 streetlights along the Village streets.

The Village of Oswego has five certified arborists 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. 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.

Position	Fiscal Year 06/07	Fiscal Year 07/08	Fiscal Year 08/09
Public Works Director	1.0	1.0	1.0
Asst. PW Director	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5
Inspector Super.	1.0	1.0	1.0
Inspector	2.0	2.0	2.0
Operations Super.	3.0	3.0	3.0
Tech I*	11.0	14.0	14.0
Tech II	5.0	4.0	4.0
Utility Billing Coordinator	1.0	1.0	1.0
Facilities Tech	0.5	0.5	0.5
TOTALS	27.0	29.0	29.0

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

2007/2008 Road and Bridge Objectives: Status

1. Continue street tree pruning in the fall/winter.

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. Public Works will also begin the mandatory MUTCD update replacement program.

3. Continue updating old traffic directional signs.

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

4. Two additional staff to receive Arborist license.

Three additional staff members obtained their license.

5. Mechanics staff to obtain ASE certification.

This is an ongoing objective. There was nothing available in FY 07/08. Public Works is now investigating the option of on-line classes and certifications. This will take place during the FY08/09 budget year.

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

This is ongoing.

7. Continue the sidewalk replacement program.

This is also ongoing and staff added some additional sidewalks as needed.

8. Install small T-sidewalk sections in subdivisions.

This was started per Trustee initiatives and will continue during the FY08/09 budget year.

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

This is ongoing annually.

10. Complete purchases of any capital budgeted items.

All FY 07/08 budget items were purchased, under budget.

11. Complete Minkler Rd. bridge guard rail replacements to bring bridge up to state standards.

Both sides have been updated to meet specifications.

12. Hire and train a new staff technician to coordinate and assist with special events.

This was accomplished in FY 07/08.

2008/2009 Road and Bridge Objectives

1. Public Works will work to develop and implement a set of core values. Public Works will work with the Village Board, Staff and all other departments to achieve these goals.
2. Public Works will work to establish and implement a long range plan for the Village that is fluid and re-visit every two years. Public Works will work with all departments to achieve this goal.
3. Public Works will work to ensure that the Village has the programs, facilities and services that meet the needs of our community. Public Works is a service orientated department and will work with all departments to achieve this goal.
4. Continue street tree pruning in the fall/winter.
5. Continue replacing old street signs.
6. Continue updating old traffic directional signs to meet national standards.
7. Mechanics staff to obtain ASE certification.
8. Continue the 50/50 tree replacement program in the spring/fall.
9. Continue the sidewalk replacement program.
10. Continue the installation of new sidewalks in old town.
11. Install crosswalk ADA sections of sidewalks in subdivisions.
12. Continue re-stripping of traffic lane and control lines on roadways.

13. Complete purchases of any capital budgeted items.
14. Complete MFT overlay program.
15. Complete additional asphalt repairs of needed areas.
16. Complete Minkler Rd. bridge approach repairs per engineering inspections.
17. Complete Douglas Rd. reconstruction.
18. Complete new Village Hall punch list items and warranty repairs. Coordinate with building superintendent and landscape contractor.

Public Works 2007 Quantities of Completed Tasks

Street Lights/Traffic Signals

Street Light Lamps	255
Light Heads	3
Photo Cells	74
Ballast Kits	54
Fuses	53
New Poles Installed (Concrete)	4
Lens Covers	9

TOTAL CONTRACTED SERVICES:

Materials & Labor:\$ 298,657.98

Total Reimbursements, for Streetlight/Traffic Signals: \$ 41,236.13
(Insurance/Accidents)

Reimbursement from IDOT for shared intersections: \$ 4,925.47

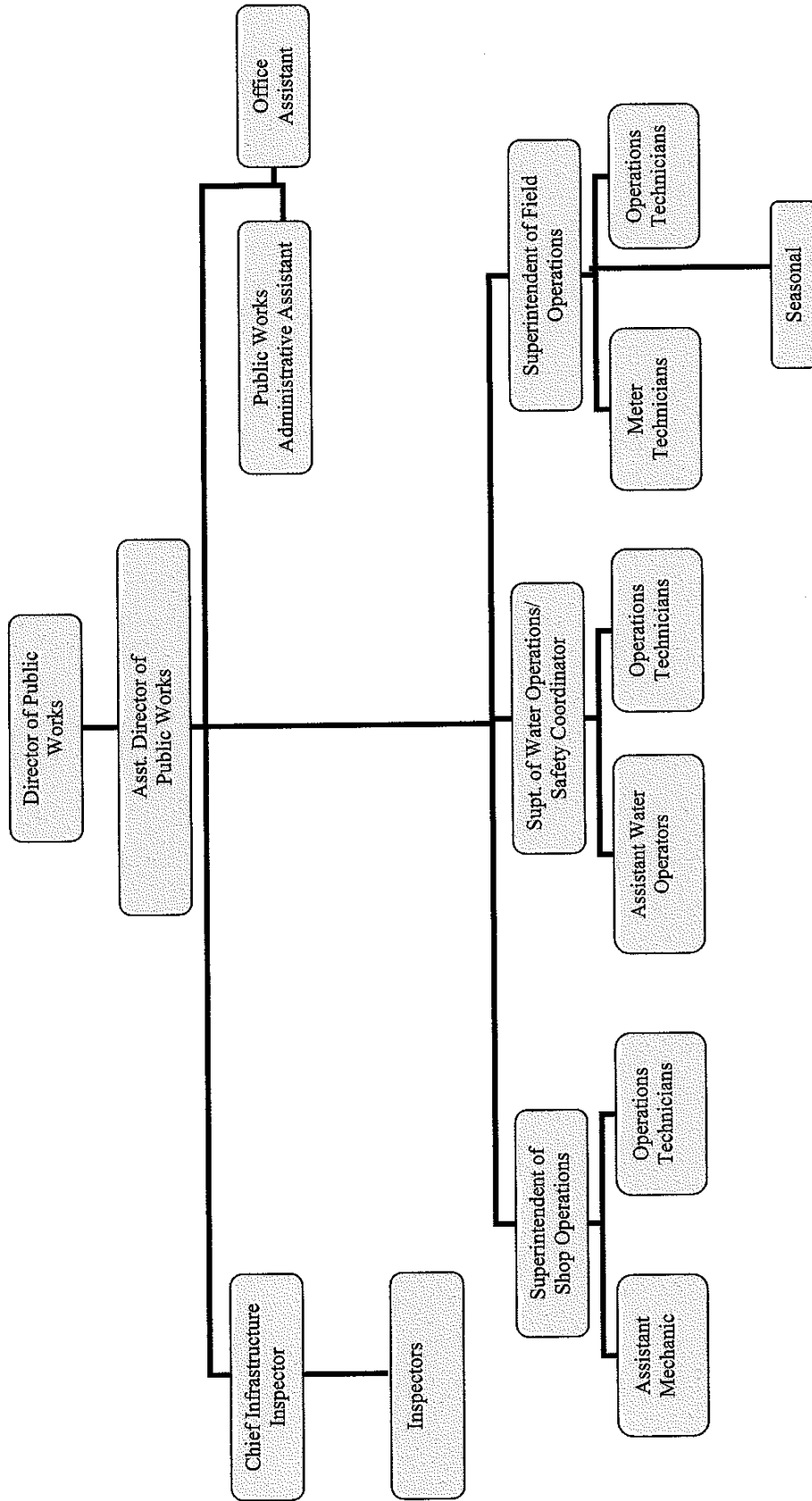
Parkway Tree Maintenance

Tree replacement	47
Tree removals	57
Trees pruned	35
Stumps removed	37
Wood Chips Produced	1,300 yds.

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

<u>Month</u>	<u># Tickets</u>	<u>Costs</u>
January 2006	379	\$ 366.05
February	294	288.30
March	652	620.40
April	1,037	986.15
May	1,285	1,230.75
June	975	932.25
July	794	760.30
August	852	816.40
September	656	629.20
October	769	735.55
November	562	545.90
December	279	275.05

PUBLIC WORKS DEPARTMENT ORGANIZATIONAL CHART



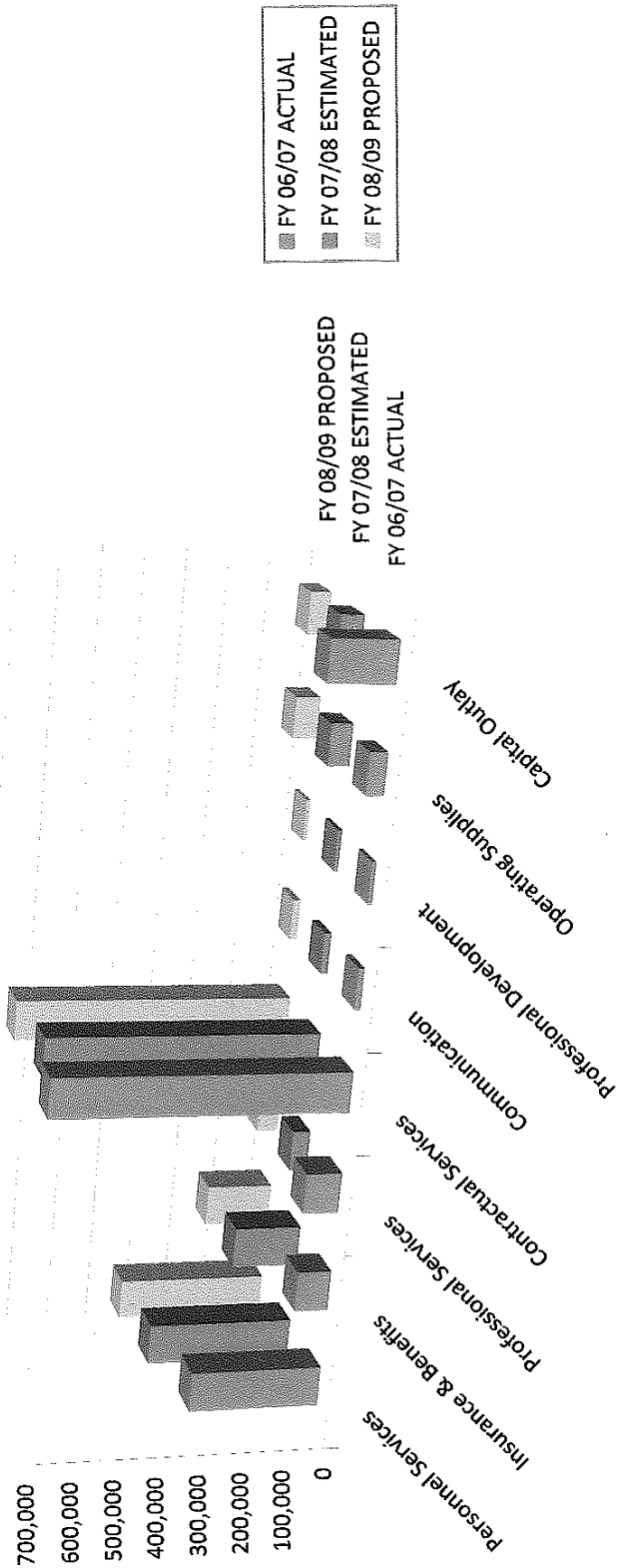
VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

General Fund

ROAD AND BRIDGE SUMMARY

<u>EXPENDITURES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	PERCENT CHANGE
Personnel Services					
Salaries Full-Time	280,901	307,662	311,414	316,694	3%
Salaries Part-Time	13,727	20,000	16,000	20,000	0%
Overtime	<u>12,925</u>	<u>17,000</u>	<u>17,000</u>	<u>20,000</u>	18%
Total Personnel Services	307,553	344,662	344,414	356,694	3%
Insurance & Benefits	78,530	152,515	156,970	157,753	3%
Professional Services	83,249	51,000	41,000	50,000	-2%
Contractual Services	688,905	662,932	649,366	665,402	0%
Communication	13,034	11,000	15,500	15,000	36%
Professional Development	9,169	8,500	8,500	8,500	0%
Operating Supplies	40,525	44,500	49,500	57,000	28%
Capital Outlay	<u>153,516</u>	<u>55,000</u>	<u>53,500</u>	<u>47,000</u>	-15%
TOTAL EXPENDITURES	1,374,481	1,330,109	1,318,750	1,357,349	2%

Village of Oswego
Road Bridge Department Operating Expenditures



**Village of Oswego
Fiscal Year '08/'09 Budget**

General Fund

ROAD AND BRIDGE

01-05

Personnel Services

50-6210	Salaries, Full-Time	316,694
50-6222	Salaries, Part-Time	20,000
50-6230	Overtime	<u>20,000</u>
	Total Personnel Services	356,694

Insurance and Benefits

51-6310	FICA, Village Share	28,074
51-6315	IMRF, Village Share	35,606
51-6330	Health Insurance	87,884
51-6335	Dental Insurance	<u>6,189</u>
	Total Insurance and Benefits	157,753

Professional Services

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

Contractual Services

53-6500	General Insurance Illinois Municipal League Liability Insurance; life insurance	16,902
53-6540	Mosquito Control Expense Continued spraying of the Village with additional spraying due to West Nile virus concerns	35,000
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	100,000
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	6,000
53-7315	Maintenance, Equipment Maintenance of various equipment such as plows, spreaders mowers and vehicles	48,000
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	50,000
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	150,000
53-7365	Maintenance, Safety Equipment Safety equipment purchase, i.e. hard hats, safety glasses or materials for water main breaks	3,500
53-7370	Maintenance, Safety Signs Purchase of safety signs for all Village buildings as required by law Supplies for sign machine and sign room	12,000
53-7375	Maintenance, Garage Upkeep of Existing Public Works Garage	2,000
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	55,000
53-7870	Street Lighting Expense Electricity costs for all Village street lights	<u>135,000</u>
	Total Contractual Services	665,402

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	3,000
54-6785	Telephone Expense Nextel and telephone usage for the department	<u>10,000</u>
	Total Communication	15,000

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>
	Total Professional Development	8,500

Operating Supplies

56-6735	Gasoline Fuel purchase for Public Works vehicles for non-water services	40,000
56-6806	Miscellaneous	1,000
56-7425	Maintenance, Supplies Various small parts required for vehicles or equipment; road paint	4,500
56-7445	Tool Expense Tools for Public Works vehicles; various department tools	3,500

56-7465	Tree Purchase	<u>8,000</u>
	Purchase of trees for Village property or parkways	
	Total Operating Supplies	57,000
 <u>Capital Outlay</u>		
57-7850	Radios, Communication Equipment	10,000
	Replacement of Nextel radios/phones	
	Two-way radio purchase for Road and Bridge vehicles	
	Two-way radio annual tower/repeater rental	
57-7875	Street Sign Purchase	25,000
	Street sign blanks, posts, hardware, material	
	School zone signage, P.D. request signage	
	Replacement of old signage	
57-7883	Landscaping Materials	<u>12,000</u>
	Plant materials and supplies for downtown, Promenade, Park&Ride and various Village locations	
	Total Capital Outlay	47,000
 TOTAL ROAD AND BRIDGE		 1,357,349

**Village of Oswego
Fiscal Year '08/'09 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.

Status of 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.

Below we have listed our progress for FY 07/08 Strategic Plan objectives along with the short term (one year) service oriented objectives. All objectives are equally important. We have also listed the *method of measurement* and the accomplishments

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.

An informal assessment and cost projection was completed to determine the feasibility of building out the unfinished area in the basement. The space we would gain was minimal

and the cost was high. Included in the areas to be built out was the current training room that would have become the Investigation offices, the exercise room would have become the Captains office and a new training room and locker room would have been built in the unfinished area. The total cost for this project would have been nearly \$168,000 dollars.

A determination was made to move more aggressively toward a new facility and not expend resources to increase space in our current facility.

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.

An RFO was sent out to Architectural firms to bid for selection to develop a Space Needs Analysis for a new police facility. Oswego Command staff interviewed the top six (6) firms and selected McClaren, Wilson and Lawrie. Jim McClaren has met with Chief Baird and the process began in January of 2008 with an employee survey.

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.

During calendar year 2007, the Village of Oswego received a letter donating 7.5 acres of land on Woolley Road for the location and construction of a new police department. Once the Space Needs Analysis is completed, additional property may be acquired from this same donor if necessary.

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.

In 2007 we continued to provide monthly training to our employees based on our CALEA requirement and the divisional and individual goals. Many of these training classes are annual or bi-annual topics that are taught by an in-house instructor. Many

individuals are presently enrolled in the Benedictine University First Responders Program and are completing Associates and Bachelors Degrees. As an organization we have specified an educational requirement for entry level and promotional applications. We will continue to explore these types of programs to support our employees as they seek educational advancement. A staff study was conducted and it appears it will have a significant effect on how we deliver training to our people. Some of the ideas we are exploring are, an assigned annual training week for Officers where all of the annual training is covered during that week, having Officers be assigned to partial shift times to complete video and/or computer training, and we intend to continue providing roll call training as needed for a variety of topics.

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 crime 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.

This year the educational portion of this goal has been a success. We have conducted educational seminars on internet safety and internet crimes to various civic organizations, Kendall County Senior Services and to the 5th, 6th and 7th grade students at Thompson, Traughber and Plank Junior High Schools. The investigation of high tech crimes has improved this quarter with the implementation of a computer crimes action plan. Two arrests have been made, numerous computer contacts have been generated, assist other agency reports have been done and two search warrants are pending. In addition, one vehicle is pending seizure. The departments Strategic Plan, specifically, 4.2.1 and 4.3.1 were listed as part of this goal. Upon review of this years activity, specific to this goal as well as other programs, we have been successful in meeting our objective.

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.

This goal has been extremely successful this year. Nineteen seizure cases have been opened with several dispositions and agreed orders being reached. See attached document for a complete list of property (vehicles and USC) seized for 2007. I believe it is important to mention that the overall success of this program is due in large part to the cooperation between the Investigations Division and the Patrol Division. The Patrol Division has aggressively pursued traffic violations and embraced the idea of asset forfeiture as an option.

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.

This goal was a cooperative effort between the Criminal Investigations Division and the Field Operations Division. Throughout the year intelligence has been gathered and shared throughout the department. Officers have attended monthly gang meetings (MGIA, Aurora PD) and have maintained contacts with area gang units. In addition, all gang contacts are entered into an intelligence database, which is available to all department personnel.

Gathering and sharing information has not been the only success of this goal. Over the past four months gang tactical details have been organized and staffed with personnel from both divisions. Specific target locations were identified and officers were staffed with the responsibility of strict enforcement. It is difficult to determine whether or not there are more gang members/associates living in town today compared to last year; however, the number of contacts has increased.

Upon review of this years activity relative to this goal our original goal has been met. While this will not be our specific goal for 2008, continual efforts will be taken to aggressively pursue gang members within our community.

The department's Strategic Plan, specifically, 4.1.1 and 4.2.1 were listed as part of this goal. Upon review of this years activity, specific to this goal as well as other programs, we have been successful in meeting our objective

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.

We finished the year with most of the intersections along the Route 34 commercial corridor still being at or above what they were the year previous, as well as the Route 71 & Orchard Road intersection. Other intersections in town benefited from the extra patrol efforts and showed a reduction in the crashes. Overall it was also shown that speed was the highest contributing factor for all crash reports, being listed as a factor in 23% of all crash reports. Continued extra patrol and traffic enforcement along our expanding Route 34 commercial areas should continue to address this issue.

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.

Officers continue to attend HOA meetings and be the primary point of contact for problems in their assigned areas. Traffic Unit officers assist with concerns related to traffic issues and seek to keep the HOA officers involved in completing extra, directed, and saturation patrols related to these concerns. Traffic Unit officers also have a power point presentation available to use at the HOA meetings.

2008/2009 Police Department Objectives

We are entering FY 08/09 which is the second year of this plan. We have listed some of our Strategic Plan objectives for FY 08/09 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. Identify and locate property to meet the needs of the department as outlined in the space needs assessment. (1.3.1)

Prepare a written report for the Village Board with a recommendation for property which will meet the needs of the department for the next 20 years.

2. Acquire the property for the new police facility. (1.3.2)

Property is identified and deeded to the Village of Oswego.

3. Research various funding methods to fund the new facility. (1.4.1)

Research various funding methods and evaluate them with by factoring in the long term and short term financial impact and taxing options. Prepare a written report for the Village President and Board of Trustees which provides a recommendation for a funding method.

4. Implement the funding vehicle. (1.4.2)

The selected method will cause minimum impact to the Village's funds in the long term. A funding vehicle is approved and passed by the Village Board.

5. Identify and examine the current emergency dispatch procedures for efficiency and effectiveness. (2.1.1)

Establishment of a comprehensive report on the strengths and weaknesses identified in the current KenCom system and the dissemination of that information to the Oswego Police Department and the KenCom boards.

6. Maintain a competitive benefit and compensation package for personnel. (3.5.3)

Several measurement tools will be used to determine the success of this strategy. A recruitment survey will be administered at the beginning of the testing process with a specific section focused on compensation and benefit. An annual compensation/benefits comparison will be conducted identifying comparable departments with Oswego. Internal satisfaction questionnaires will also be provided to all department employees annually to measure the satisfaction level of our current benefits and compensation package.

7. Establish a network with other local business and Governmental agencies for purchasing. (5.2.1)

Create a network with other local businesses and Government offices to establish a buying group for the purposes of getting the best prices for our similar needs, thus increasing cost effective spending.

8. Research and identify an administrative adjudication process. (5.3.2)

Work with legal counsel to identify administrative adjudication process for the Village applying to all enforcement opportunities which includes due process and home rule opportunities such as utilizing a hearing officer and a local venue for hearing procedures.

Service Objectives

9. Organize and conduct a “Crisis Event” drill within the Village of Oswego.

This goal will be measured by our departments overall response to the event. An event debriefing will also be used to measure our successes and failures in this event.

10. Work cooperatively with the Oswego Investigations and Patrol Divisions (Gang Intelligence Unit) and other area police agencies to provide gang intelligence within our

organization as well as educate the public and other governmental entities on the latest gang trends.

The ability to effectively identify and deal with gang related issues as they occur is the first step in preventing a gang problem in the Village. Ongoing contact with surrounding government entities will be made so that a true assessment on the effectiveness of the goal can be obtained.

11. Implement New World RMS software.

Train all personnel and implement new software. Transfer all old reports, from January 2004 thru the present time, to new software.

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. As you can see in this comparison, we provide law enforcement services at a lower cost per capita than the average rate. We also supplied an average as well. Each community supplied us with the personnel, total budget and population.

City / Village	Fulltime Personnel	Part-time Personnel	Total Budget	Population	Cost Per Capita
	Total Authorized	Total Authorized			
Batavia	51	4	\$7,446,000.00	26,348	\$282.60
Plainfield	78	11	\$9,594,536.00	37,334	\$256.99
Lisle	57	3	\$5,454,640.00	23,506	\$232.05
Westmont	60	1	\$6,589,710.00	26,211	\$251.41
West Chicago	64	0	\$8,145,600.00	26,000	\$313.29
Average	62	3.80	\$7,446,097.20	27,880	\$267.27
Oswego	63	8	\$6,682,716.00	26,252	\$254.56

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

Position	Fiscal Year 06/07	Fiscal Year 07/08	Fiscal Year 08/09
Police Chief	1.0	1.0	1.0
Captain	3.0	3.0	3.0
Sergeants	8.0	8.0	8.0
Patrol Officers	38.0	41.0	41.0
Community Service Officers*	3.0	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	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Receptionist	5.0	5.0	5.0
Police Cadet*	0.5	1.0	1.0
TOTALS	63.5	68.0	68.0

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

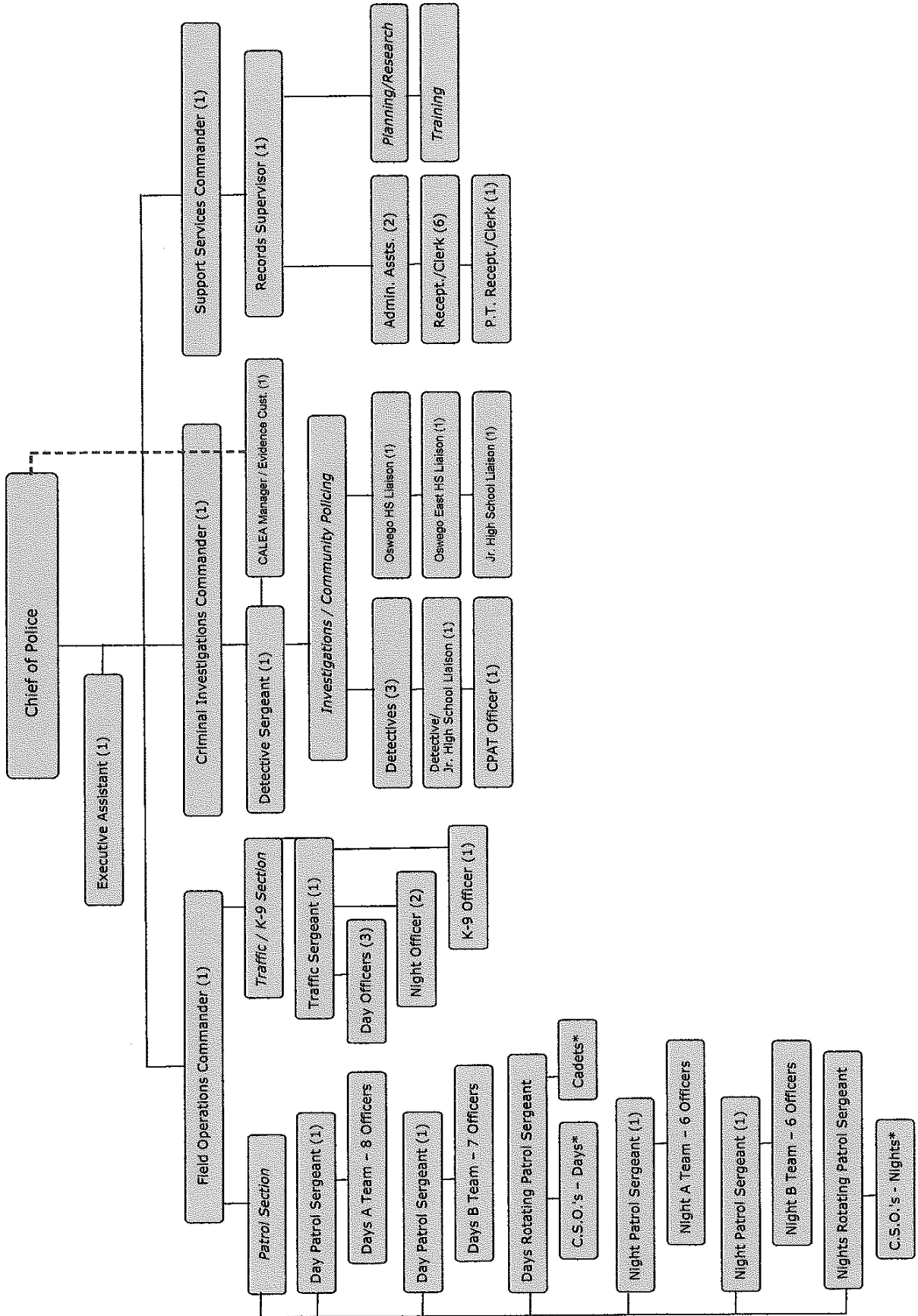
Police Department Statistics

The department has provided the statistics for fiscal year 2008 and included fiscal years 2006 and 2007 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 2007 and 2008.

(Fiscal Year)	2006	2007	2008*	Change
Population (Estimate ending on April 30)	23,589	26,126	28,100	7.6%
Full time Personnel (Authorized)	51	64	64	0%
Part time Personnel	6	9	9	0%
Police Reports	4,948	5,136	5,387	4.9%
Criminal	1,404	1,702	2,335	37.2%
Non-criminal	1,514	1,410	807	-42.8%
Call for Service	44,385	50,497	51,918	2.8%
Total Arrests	1,302	1,280	1,382	7.97%
Felony	194	163	153	-6.13%
Misdemeanors	1,108	1,117	1,229	10.03%
D.U.I.	89	122	105	-13.9%
Accidents Reports	819	732	825	12.7%
Property Damage	513	504	563	11.7%
Personnel Injury	171	126	134	6.3%
Hit and Run	103	101	128	26.7%
Fatal	1	1	0	-100%
Traffic Citations	6,413	7,572	6,172	-18.5%
Traffic Warnings	12,250	12,709	12,379	-2.6%
Ordinance Citations	882	1,681	1,317	-21.7%
Miles Patrolled	464,183	474,565	502,742	5.9%
Total Alarm calls	917	900	1,142	26.9%
Burglar	869	875	1,104	26.2%
Hold up	48	25	38	52%
Court Dispositions	\$170,838	\$213,085	\$193,083	-9.4%
Total Fines/Fees & Reimbursements	\$584,045	\$468,456	\$425,239	-9.2%
Hours Worked	101,094	109,970	122,281	11.2%
Comp Time Earned	2,239	2,391	2,516	5.2%
Total Overtime (Hours)	4,178	4,767	5,595	17.4%
Contractual Service Hours	650	682	924	35.4%
Training Hours	4,800	5,549	5,236	-5.6%

* 2008 are estimated

Police Department Organizational Chart



*Part-time

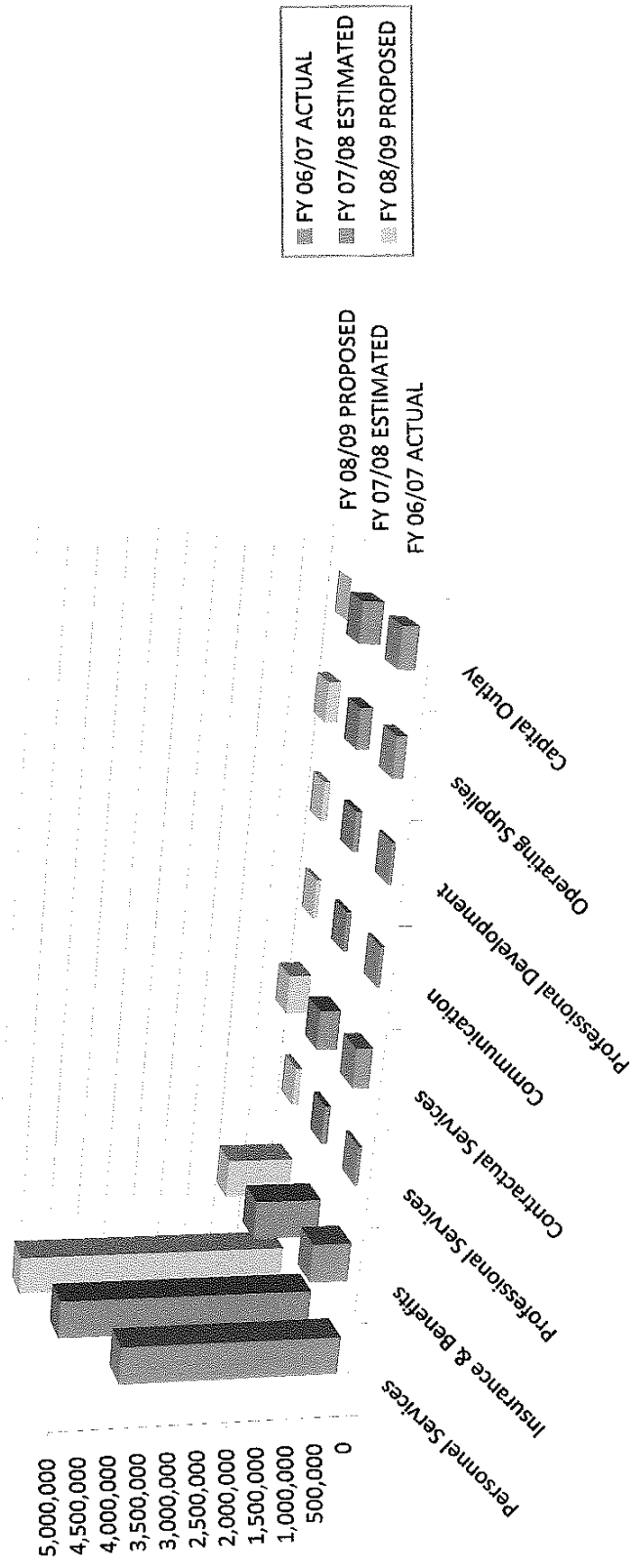
VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

General Fund

POLICE DEPARTMENT SUMMARY

<u>EXPENDITURES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	PERCENT CHANGE
Personnel Services					
Salaries, Full-Time	3,076,684	3,532,097	3,452,343	3,745,856	6%
Salaries, Clerical	318,123	453,846	453,846	472,113	4%
Salaries, Other	220,645	195,100	190,100	206,640	6%
Overtime	<u>118,010</u>	<u>296,450</u>	<u>296,450</u>	<u>302,720</u>	2%
Total Personnel Services	3,733,462	4,477,493	4,392,739	4,727,329	6%
Insurance & Benefits	651,346	1,145,392	1,119,750	1,140,526	0%
Professional Services	55,780	86,535	92,305	100,775	16%
Contractual Services	273,757	401,609	356,020	377,809	-6%
Communication	52,366	70,610	68,860	74,510	6%
Professional Development	54,695	140,955	95,955	101,315	-28%
Operating Supplies	172,159	216,565	205,275	207,840	-4%
Capital Outlay	<u>273,112</u>	<u>291,898</u>	<u>351,812</u>	<u>13,500</u>	-95%
TOTAL EXPENDITURES	5,266,677	6,831,057	6,682,716	6,743,604	-1%

Village of Oswego
Police Department Operating Expenditures



**Village of Oswego
Fiscal Year '08/'09 Budget**

General Fund

POLICE

01-10

Personnel Services

50-6210	Salaries, Full-Time	3,745,856
50-6220	Salaries, Clerical	472,113
50-6230	Overtime	302,720
50-6235	Salaries, Other	<u>206,640</u>
Total Personnel Services		4,727,329

Insurance and Benefits

51-6310	FICA	356,114
51-6315	IMRF	43,335
51-6330	Health Insurance	691,567
51-6335	Dental Insurance	<u>49,510</u>
Total Insurance and Benefits		1,140,526

Professional Services

52-6430	Police Commission	
	Commission Meeting Fees	1,800
	Patrol Officer Testing	38,300
	Attorney - Legal Fees	3,000
	Advertising	2,000
	Recruitment/ Career Day	2,500
	IL. Police Commission Conference/Dues	<u>1,200</u>
	Total Police Commission	48,800
52-6435	K-9 Unit	
	K-9 Recertification	500
	Food & Boarding	950
	K-9 Mortality Insurance	900

	Training Equip.	480	
	Medication/Vet	600	
	Grooming	<u>200</u>	
	Total K-9 Unit		3,630
52-6460	Crime Prevention		
	National Night Out	4,000	
	Citizen Police Academy	2,000	
	Neighborhood Watch	500	
	Character Counts	400	
	Citizen Police Academy Alumni (Shirts)	100	
	Supplies (I-DENTI-KIT) Pamphlet	1,200	
	Junior Police Badges/Giveaway Prairiefest	3,850	
	Child Safety Seat Equipment	<u>250</u>	
	Total Crime Prevention		12,300
52-6467	Tobacco Compliance Checks		650
52-6530	Miscellaneous Professional Services		
	Administrative	14,640	
	Field Operations	1,370	
	Investigations	<u>19,385</u>	
	Total Miscellaneous Professional Services		<u>35,395</u>
	Total Professional Services		100,775
 <u>Contractual Services</u>			
53-6500	General Insurance		134,764
	IML Liability Insurance, Life Insurance		
53-6825	Uniform Allowances		35,350
	Command , Investigations & Clerical		
53-7310	Maintenance, Buildings		
	Exterior Building	12,980	
	Interior Building	18,970	
	Cleaning and maintenance Supplies	5,550	
	Misc.	<u>2,500</u>	
	Total Maintenance, Buildings		40,000
53-7325	Maintenance, Vehicles		
	Squad Car Maintenance	51,650	
	Vehicle Seizures (Title Transfers)	4,450	
	Insurance Deductibles	3,000	

	License Plates - Renewal	1,000	
	Misc. Vehicle - Bulbs, Flasher, Wipers, Bicycles	<u>2,000</u>	
	Total Maintenance, Vehicles		62,100
53-7330	Maintenance, Police Equipment		
	Squad Car Equip. Repair	20,400	
	Police Equip. Maintenance Agreements/usage	9,660	
	Misc. Repair (Scales - Speed Trailer)	<u>6,100</u>	
	Total Maintenance, Police Equipment		36,160
53-7335	Maintenance, Office Equipment		
	Computer Maint. Verity 3	8,200	
	Office Communication Equip.	34,410	
	Records System upgrades/maintenance	<u>7,000</u>	
	Total Maintenance, Office Equipment		49,610
53-7880	Uniform Purchases		
	Bullet Proof Vests	1,100	
	Department Equip.	13,775	
	Specialty Uniform	<u>4,950</u>	
	Total Uniform Purchase		<u>19,825</u>
	Total Contractual Services		377,809
	<u>Communication</u>		
54-6550	Printing Expense		
	Stationary	1,000	
	Report Forms	11,300	
	Misc. Forms	<u>2,200</u>	
	Total Printing Expense		14,500
54-6715	Advertising, Bids and Records		1,370
54-6765	Postage and Freight		7,000
54-6785	Telephone Expense		
	Telephone Service	33,280	
	Investigations	3,360	
	Mobile Phone Service	<u>15,000</u>	
	Total Telephone Expense		<u>51,640</u>
	Total Communication		74,510

Professional Development

55-6565	Schools and Training Expense		
	North-East Multi-Regional Training (85x42)	4,950	
	<u>Conferences & Specialized Training</u>		
	Administration	12,820	
	Field Operations	29,760	
	Investigations	<u>8,355</u>	
	Total Schools and Training Expense		55,885
55-6730	Dues		
	Field Operations	1,495	
	Investigations	1,320	
	Administration	<u>1,130</u>	
	Total Dues		3,945
55-6805	Travel Expense		
	NEMRT (Lunch \$10 x 42 x 2)	1,500	
	<u>Conferences & Specialized Training</u>		
	Administration	15,215	
	Field Operations	13,195	
	Investigations	<u>11,575</u>	
	Total Travel Expense		<u>41,485</u>
	Total Professional Development		101,315

Operating Supplies

56-6720	Books and Publications		
	Law updates	1,050	
	Miscellaneous	500	
	Fair Labor Standards	<u>450</u>	
	Total Books and Publications		2,000
56-6735	Gasoline		130,000
56-6740	Office Supplies		
	Printer Supplies	8,500	
	General Supplies	6,000	
	Total Office Supplies		14,500
56-6745	Operating Supplies		
	Administrative	4,750	
	Field Operations	38,740	
	Investigations	10,350	
	Tactical	<u>1,500</u>	
	Total Operating Supplies		55,340

56-6806	Miscellaneous		<u>6,000</u>
	Total Operating Supplies		207,840

Capital Outlays

57-7835	Office Equipment		
	Computer Work Stations	<u>13,500</u>	
	Total Office Equipment		13,500

	Total Capital Outlays		13,500
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	TOTAL POLICE DEPARTMENT		6,743,604
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**Village of Oswego
Fiscal Year '08/'09 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 2008 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 2008/2009. The other use of funds from the MFT Fund is the transfer of \$361,000 to the Debt Service Fund to cover a large portion of the debt payment for FY 08/09 for the Douglas Road project. The Village has several significant infrastructure projects coming in the near future, including 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 2008/2009, staff is recommending that no other funds be expended from the MFT Fund.

2007/2008 Motor Fuel Tax Fund Objectives: Status

1. Complete the 2007 roadwork project.

This has been completed.

2. Complete the Kingsbury project.

This has been completed.

3. Finalize the financing plan for the Douglas Road widening project.

This has been completed.

4. Continue to restrict the use of MFT funds in order to build up the reserves of the fund.

This has been completed and is an ongoing objective.

2008/2009 Motor Fuel Tax Fund Objectives

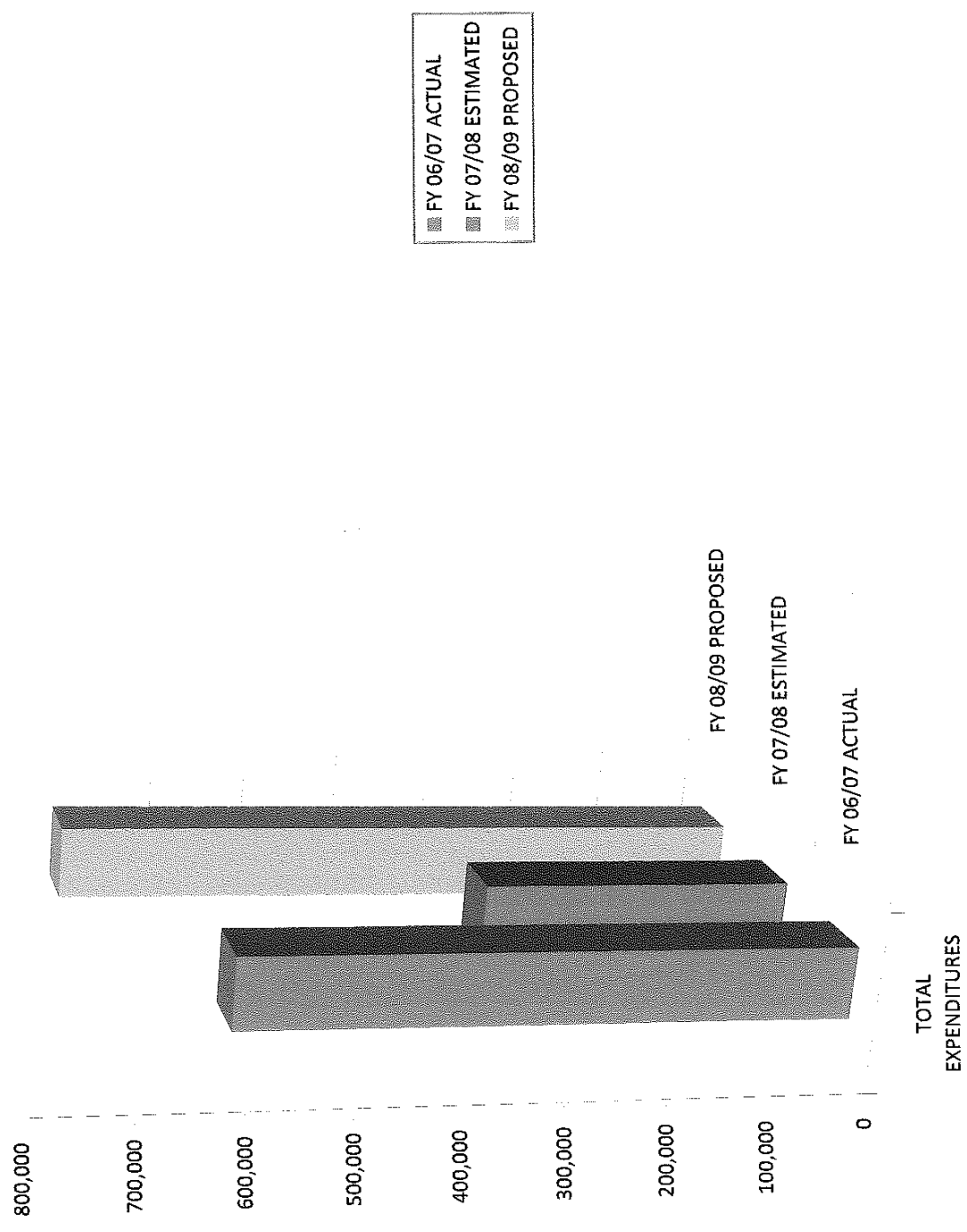
1. Complete the 2008 roadwork project.
2. Continue to insure that the Douglas Road debt will receive adequate funding from MFT allotments.
3. Continue to restrict the use of MFT funds in order to build up the reserves of the fund.

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

MOTOR FUEL TAX FUND SUMMARY

<u>REVENUES</u>	<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 07/08</u>	<u>FY 08/09</u>	<u>PERCENT</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>CHANGE</u>
State Allotments	621,629	585,042	599,160	709,517	21%
Interest Income	6,870	10,000	12,176	7,300	-27%
Reimbursements	<u>416</u>	<u>200,000</u>	<u>66,427</u>	<u>0</u>	-100%
TOTAL REVENUE	628,915	795,042	677,763	716,817	-10%
 <u>EXPENDITURES</u>					
Streets and Sidewalks	0	325,000	250,688	350,000	8%
Kingsbrook Improvements	0	200,000	66,427	0	100%
Debt Service-Douglas Road	0	0	0	361,000	100%
Public Improvements	<u>604,289</u>	<u>0</u>	<u>0</u>	<u>0</u>	0%
TOTAL EXPENDITURES	604,289	525,000	317,115	711,000	35%
Net Income(Loss)	24,626	270,042	360,648	5,817	
 <u>Beginning Net Cash & Fund Balance</u>			149,597	510,245	
<u>Ending Net Cash & Fund Balance</u>			510,245	516,062	

Village of Oswego
Motor Fuel Tax Fund Expenditures



**Village of Oswego
Fiscal Year '08/'09 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 \$134.35 per person per year in per capita revenues. Village staff conservatively estimates that the Village's population has grown 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 \$201,525 (1,500 x \$134.35) each year there is no updated population number for the Village. By the second year, the Village has lost \$403,050 (\$201,525 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.

2007/2008 Special Census Fund Objectives: Status

1. Complete either a partial or full special census.

The full census process began in FY 07/08 and is continuing in FY 08/09.

2008/2009 Special Census Fund Objectives

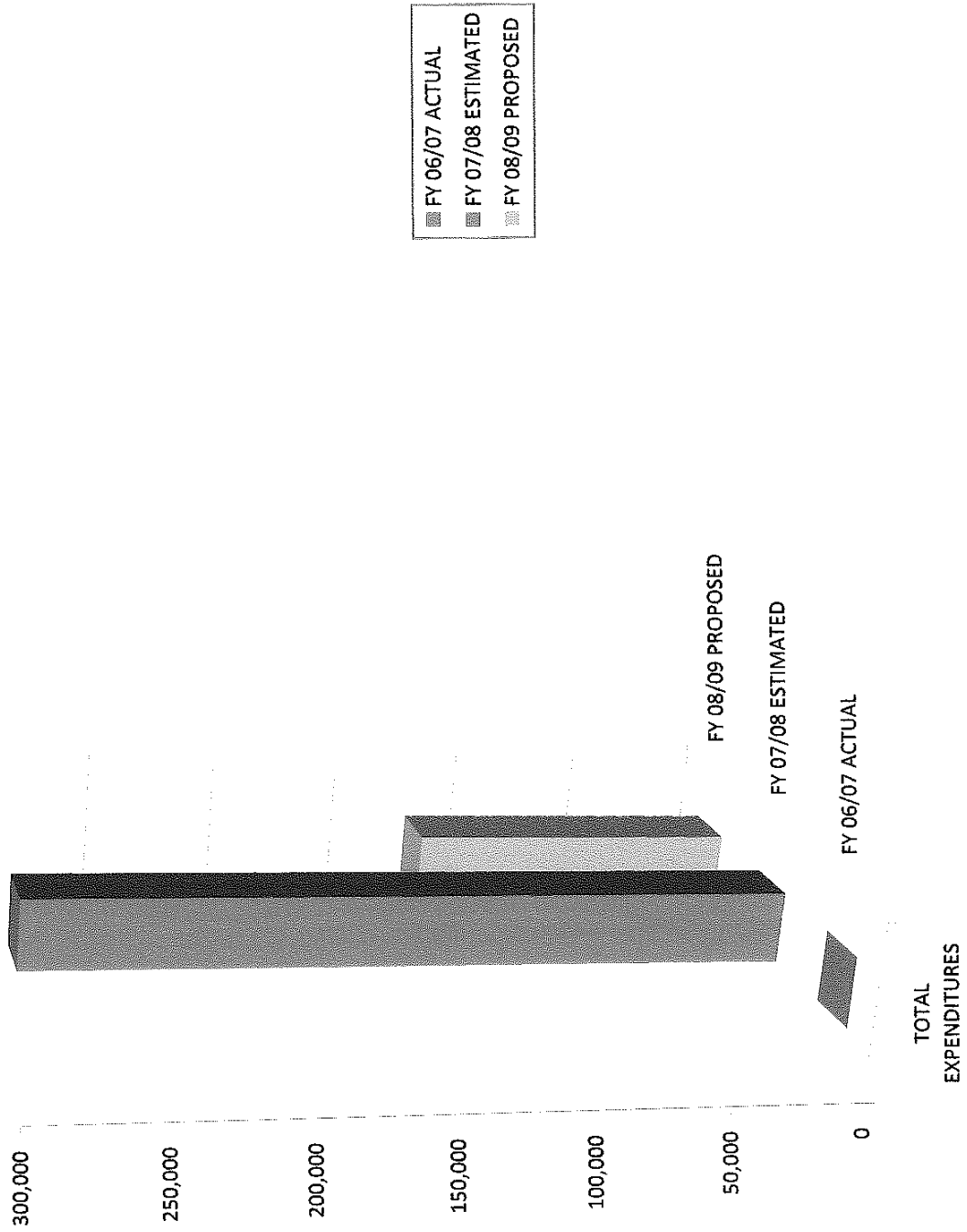
1. Continue to plan for future special censuses.

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

SPECIAL CENSUS FUND SUMMARY

<u>REVENUES</u>	<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 07/08</u>	<u>FY 08/09</u>	PERCENT
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	CHANGE
Interest	<u>21,121</u>	<u>12,500</u>	<u>16,093</u>	<u>7,500</u>	-40%
TOTAL REVENUE	21,121	12,500	16,093	7,500	-40%
 <u>EXPENDITURES</u>					
Professional Services					
Special Census	<u>0</u>	<u>500,000</u>	<u>290,705</u>	<u>125,000</u>	-75%
TOTAL EXPENDITURES	0	500,000	290,705	125,000	-75%
Net Income(Loss)	21,121	(487,500)	(274,612)	(117,500)	
 <u>Beginning Fund Balance</u>			523,099	248,487	
<u>Ending Fund Balance</u>			248,487	130,987	

Village of Oswego
Special Census Fund Expenditures



**Village of Oswego
Fiscal Year '08/'09 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 782,340 feet of water main, 2,490 fire hydrants and several thousand feet of water service lines. In fiscal 07/08, the Public Works Department repaired 7 water main breaks, 7 water service lines and 5 fire hydrants were replaced.

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 626,029 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.

2007/2008 Water and Sewer Fund Objectives:

1. Continue hydrant and curb painting.

This is ongoing annually and will continue in the spring with the seasonal & F.T. 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 hydrant maintenance program.

This is ongoing after each flushing season.

3. Continue valve exercising.

This is ongoing and also is broken down into zones. The department will continue until all zones are complete and continue with the program.

4. Continue sanitary and storm line jetting maintenance.

This will continue as needed. Public Works checks the troubled storm lines on a monthly basis and jet if needed.

5. Continue sanitary line root control 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 spring treating approx. \$12,000.00 annually.

6. Continue b-box locating and mapping.

This is continuing until all existing boxes have been located and mapped. 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 in the new areas and will continue as the Village grows.

7. Continue old water valve replacements.

This was completed.

8. Install additional storm drainage on Orchard in Windcrest Subdivision.

This was completed.

9. Continue water meter upgrades.

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.

10. Maintain well house radium process per EPA standards.

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

11. Safety committee to complete final draft of safety manual for staff.

The manual is in final draft form awaiting the new smoking updates and then will be reviewed for print.

12. Complete purchases of any capital budgeted items.

All items were purchased for FY 07/08. All items were purchased under proposed budget.

13. Repair of inoperable b-boxes.

This is an ongoing process throughout the Village.

14. Paint Fox Chase water tower.

This was completed.

15. Start rehab/relining program of old manholes in Brookside subdivision.

This program began last year with 9 manholes being completed. The program will continue this season.

16. Add 12" water main on Rt.34 between Orchard rd. & Arbor Lane.

This is in the process of being completed.

17. Begin planning stages for P.W. facility addition-Prepare building plans for build out in fiscal year 08/09.

The architect firm has been chosen and preliminary drawings are in the design stages.

2008/2009 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 (Dukes) sanitary line root control program. (Spring)
6. Continue b-box locating and mapping.
7. Continue water meter upgrades.
8. Maintain well house radium process per EPA standards.
9. Safety committee to complete final draft of safety manual for staff.
10. Complete purchases of any capital budgeted items.
11. Repair of inoperable b-boxes.
12. Continue rehab/relining program of old manholes in Brookside subdivision.

13. Continue planning stages for P.W. Facility addition. Coordinate with architect and prepare building plans for build out in fiscal year 08/09.

14. Install meter read systems on all pit meters.

Water Pumpage by Month for the Last Three Fiscal Years

	<u>2007/2008</u>	<u>2006/2007</u>	<u>2005/2006</u>
May	100,235,000	80,134,000	78,179,000
June	109,048,000	96,075,000	120,632,000
July	93,738,000	101,354,000	81,088,000
August	80,368,000	94,758,000	75,674,000
September	91,580,000	73,892,000	90,286,000
October	83,065,000	68,883,000	78,758,000
November	66,439,000	60,678,000	60,222,000
December	65,357,000	60,753,000	57,607,000
January	63,063,000	61,549,000	58,279,000
February	54,670,000	57,215,000	53,181,000
March	63,853,000	58,221,000	61,309,000
April	59,343,000	65,010,000	71,733,000
Totals:	930,759,000	878,522,000	886,948,000

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

	<u>2007/2008</u>	<u>2006/2007</u>	<u>2005/2006</u>
May	9,624	8,838	7,810
July	9,789	9,021	8,028
September	9,863	9,161	8,131
November	9,941	9,336	8,324
January	10,020	9,421	8,521
March	10,061	9,483	8,735

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

WATER AND SEWER FUND REVENUE SUMMARY

<u>REVENUE</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	PERCENT CHANGE
Charges for Service					
Water	2,972,677	3,191,798	3,223,291	3,448,758	8%
Sewer Maintenance	1,214,689	1,313,364	1,315,717	1,379,887	5%
Water Tap on Fees	2,461,622	3,175,000	1,600,000	1,391,727	-56%
MXU Fees	397,452	317,500	248,247	139,173	-56%
Water Line Contribution	1,400	2,000	1,200	1,200	-40%
Sewer Line Contribution	400	1,500	1,200	1,200	-20%
Meter Sales	1,571	3,000	3,000	3,000	0%
Inspections/Observations	65,148	68,383	39,235	6,957	-90%
Consumption Reports	14,897	16,000	28,206	30,000	88%
Permits	780	750	1,000	1,000	33%
Interest	211,984	181,327	179,093	131,517	-27%
Miscellaneous	<u>51,710</u>	<u>10,000</u>	<u>30,500</u>	<u>1,000</u>	100%
TOTAL REVENUE	7,394,330	8,280,622	6,670,689	6,535,419	-21%
<u>Net Income(Loss)</u>	1,390,591	1,139,977	(144,812)	(612,313)	-154%

STATEMENT OF CASH FLOWS

Other Financing Sources

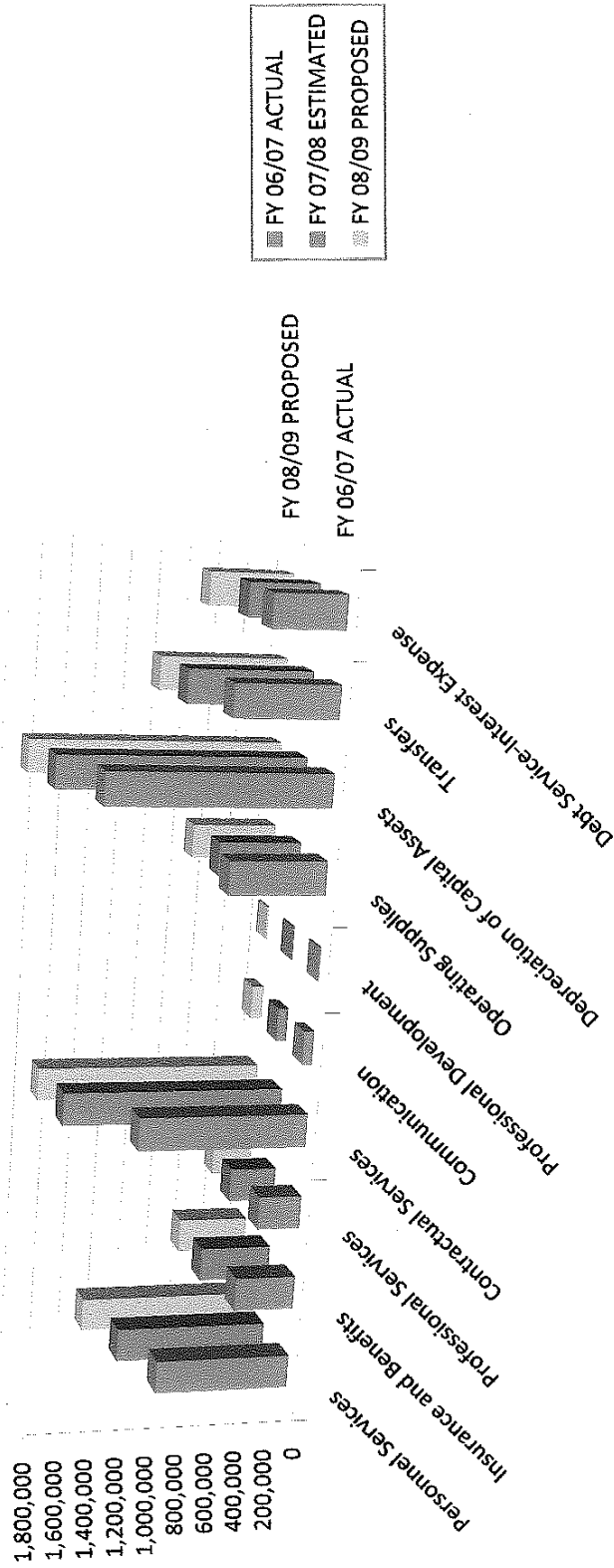
Developer Contribution	914,985	0	27,495	600,000
Bond Proceeds	0	3,500,000	3,508,427	5,900,000
Major Capital Outlay	(2,626,898)	(4,740,000)	(4,540,000)	(6,723,000)
Debt Principal	(800,818)	(936,907)	(885,000)	(1,070,551)
Depreciation	1,465,219	1,216,999	1,649,205	1,703,720
Cash Flow			(384,685)	(202,144)
<u>Beginning Net Cash</u>			3,595,720	3,211,035
<u>Ending Net Cash</u>			3,211,035	3,008,891

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

WATER AND SEWER FUND EXPENSE SUMMARY

<u>EXPENSES</u>	<u>FY 06/07 ACTUAL</u>	<u>FY 07/08 BUDGET</u>	<u>FY 07/08 ESTIMATED</u>	<u>FY 08/09 PROPOSED</u>	<u>PERCENT CHANGE</u>
Personnel Services					
Salaries Full-Time	809,146	1,038,969	920,077	1,017,403	-2%
Salaries Part-Time	32,271	55,700	40,000	55,700	0%
Overtime	41,211	35,000	45,000	40,000	14%
Stipends	<u>8,838</u>	<u>10,000</u>	<u>8,500</u>	<u>12,000</u>	20%
Total Personnel Services	891,466	1,139,669	1,013,577	1,125,103	-1%
Insurance and Benefits	393,783	486,633	471,789	469,431	-4%
Professional Services	277,651	345,529	306,129	266,129	-23%
Contractual Services	1,109,826	1,540,227	1,476,919	1,523,624	-1%
Communication	64,062	63,000	65,000	73,000	16%
Professional Development	9,754	11,000	11,000	12,500	14%
Operating Supplies	632,967	548,305	539,805	558,705	2%
Depreciation of Capital Assets	1,465,219	1,649,205	1,649,205	1,703,720	3%
Transfers	683,079	821,509	821,509	857,371	4%
Debt Service-Interest Expense	<u>475,932</u>	<u>535,568</u>	<u>460,568</u>	<u>558,149</u>	4%
TOTAL EXPENSES	6,003,739	7,140,645	6,815,501	7,147,732	0%

Village of Oswego
Water Sewer Fund Expenses



VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

Water and Sewer Fund

OPERATION AND MAINTENANCE

05-00

Personnel Services

50-6210	Salaries, Full-Time	1,017,403
50-6222	Salaries, Part-Time	55,700
50-6225	Stipends	8,500
50-6230	Overtime	40,000
50-6250	Meeting Stipend	<u>3,500</u>
Total Personnel Services		1,125,103

Insurance and Benefits

51-6310	FICA	84,594
51-6315	IMRF	105,913
51-6330	Health Insurance	260,879
51-6335	Dental Insurance	<u>18,045</u>
Total Insurance and Benefits		469,431

Professional Services

52-6480	Engineering Expense Consulting engineers for water study, sanitary capacity problems, etc.	150,000
52-6520	Legal Services Consultation with Village, or others, attorneys	20,000
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 Fees for all Water and Sewer related debt	<u>3,000</u>
Total Professional Services		266,129

Contractual Services

53-6500	General Insurance Illinois Municipal League Liability Insurance; life insurance	39,624
53-6555	Rental Expense Rental of equipment for water main breaks, water or sewer line repair. Air compressors, skid loaders, etc.	5,000
53-6585	Uniform Service Uniform rental service for Public Works staff	8,000
53-6586	Water Inspections Water installation inspections performed by a licensed plumber	20,000
53-6595	Water Analysis Water sampling in the Village that is done in-house	20,000
53-6606	J.U.L.I.E. Underground utility location services	15,000
53-6770	Pumping Expense, Electricity Electricity expense for wells 3, 4, 6, 7, 8, 9 and 10	598,000
53-6820	Utilities	1,500
53-7310	Maintenance; Building Maintenance on well houses and lift stations Security system fees	13,500
53-7315	Maintenance; Equipment Maintenance and repair to public works vehicles or equipment associated with water and sewer	43,000
53-7365	Maintenance; Safety Equipment Safety equipment for the chlorine rooms at the Village wells	3,000
53-7375	Maintenance; Garage Maintenance at the old Public Works garage	4,000

53-7380	Maintenance; Wells Maintenance and chemicals for wells 3, 4, 6, 7, 8, 9 and 10	250,000
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>381,000</u>
	Total Contractual Services	1,523,624

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	32,000

54-6785	Telephone Expense	<u>25,000</u>
	All telecommunication expenses that include auto dialers for the SCADA system and lift stations; Nextel phones	

	Total Communication	73,000
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Professional Development

55-6566	Travel and Training	10,000
	Continuing education classes, local and out-of-state for water operators and staff.	

55-6730	Dues	<u>2,500</u>
	American Water Works Association	
	Illinois Rural Water Association	
	Illinois Arborist Association	

	Total Professional Development	12,500
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Operating Supplies

56-6735	Gasoline	47,000
	Gasoline purchase for Public Works vehicles	

56-6740	Office Supplies	8,000
	Day-to-day office supplies; i.e. pens, pencils, computer paper stationary, keys, etc.	

56-6800	Equipment	
	Community Water Supply Testing Fund	<u>12,705</u>
	Total Equipment	12,705

56-6806	Miscellaneous	5,000
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56-7425	Maintenance, Supplies	7,000
	Inspector supplies; i.e. daily log books, file folders, maps	

56-7445	Tool Expense	2,000
	Tools for vehicles, fire hydrants or water shut-offs	

56-7835	Office Equipment	2,000
	Office equipment or furniture replacement	

56-7840	Sidewalks		50,000
56-7892	Water Meter Supplies		
	Water Meters for New Homes	139,173	
	Water Meter Replacements	<u>285,827</u>	
	Total Water Meter Supplies		<u>425,000</u>
	Total Operating Supplies		558,705
<u>Depreciation</u>			
57-7898	Depreciation - Fixed Asset Depreciation		<u>1,703,720</u>
	Total Depreciation		1,703,720
<u>Transfers</u>			
58-8500	Transfers Out		
	Payments in Lieu of Property Taxes	424,217	
	Indirect Charge for Administrative Costs	<u>433,154</u>	
	Total Transfers		<u>857,371</u>
<u>Debt Service - Interest Expense</u>			
59-7900	Water Revolving Loan-Principal (1997 and 2004 IEPA loans)*		105,551
59-7901	Water Revolving Loan-Interest (1997 and 2004 IEPA loans)		43,315
59-8203	1997B Bond Payment-Principal*		375,000
59-8206	2004B Bond Payment - Principal*		100,000
59-8207	2004 Refunding Bond Payment - Principal*		265,000
59-8208	2006B Bond Payment - Principal*		100,000
59-8209	2007A Bond Payment - Principal*		125,000
59-8213	1997B Bond Payment-Interest		81,725
59-8215	2004B Bond Payment - Interest		89,563
59-8217	2004 Refunding Bond Payment - Interest		137,790
59-8218	2006B Bond Payment - Interest		63,481
59-8219	2007A Bond Payment - Interest		<u>142,275</u>
	Total Debt Service - Interest Expense		558,149
* 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			7,147,732

**Village of Oswego
Fiscal Year '08/'09 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		
	Single Axle Dump Truck	125,000	
	Pick-up Truck 4x4 w/Plow and Spreader	40,000	
	Pick-up Truck	<u>33,000</u>	
	Total Vehicle Purchase		198,000
57-8050	Utility System Improvements		
	New Well and Tower-West Side of Village	6,500,000	
	Well #3 Driveway installation	15,000	
	Manhole Relining Program	<u>10,000</u>	
	Total Utility System Improvements		<u>6,525,000</u>
	Total Capital Improvements		6,723,000

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**Village of Oswego
Fiscal Year '08/'09 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. Use of a cart for recycling is required by customers and each household is supplied with a 65 gallon cart. Each household can request additional recycling carts at no charge. However, if a change in the size of a recycling cart to something different than a 65 gallon cart, there will be a delivery fee of \$42.00 per different sized cart requested. Although the use of a vendor supplied cart for refuse pick-up is not required, customers can request a cart for this purpose. A \$50.00 deposit and a \$3.15 monthly fee per 95 gallon refuse cart used. One "white item," meaning a major appliance such as a refrigerator or hot water heater, is allowed per pick-up.

In FY 2007/2008, Village residents paid \$16.75 per month for regular residential service and \$12.95 per month for senior citizen residential. These services are billed bi-monthly. The contractual obligation for the Village was \$16.25 per month for regular residential and \$12.45 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 paid for yard waste stickers was \$2.05 each. The new rates, effective July 1, 2008, will be \$17.56 per month for regular residential service, \$13.57 for senior service and \$2.15 for a yard waste sticker.

2007/2008 Garbage Collection Fund Objectives: Status

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

This is an ongoing objective.

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

This is an ongoing objective.

2008/2009 Garbage Collection Fund Objectives

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

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

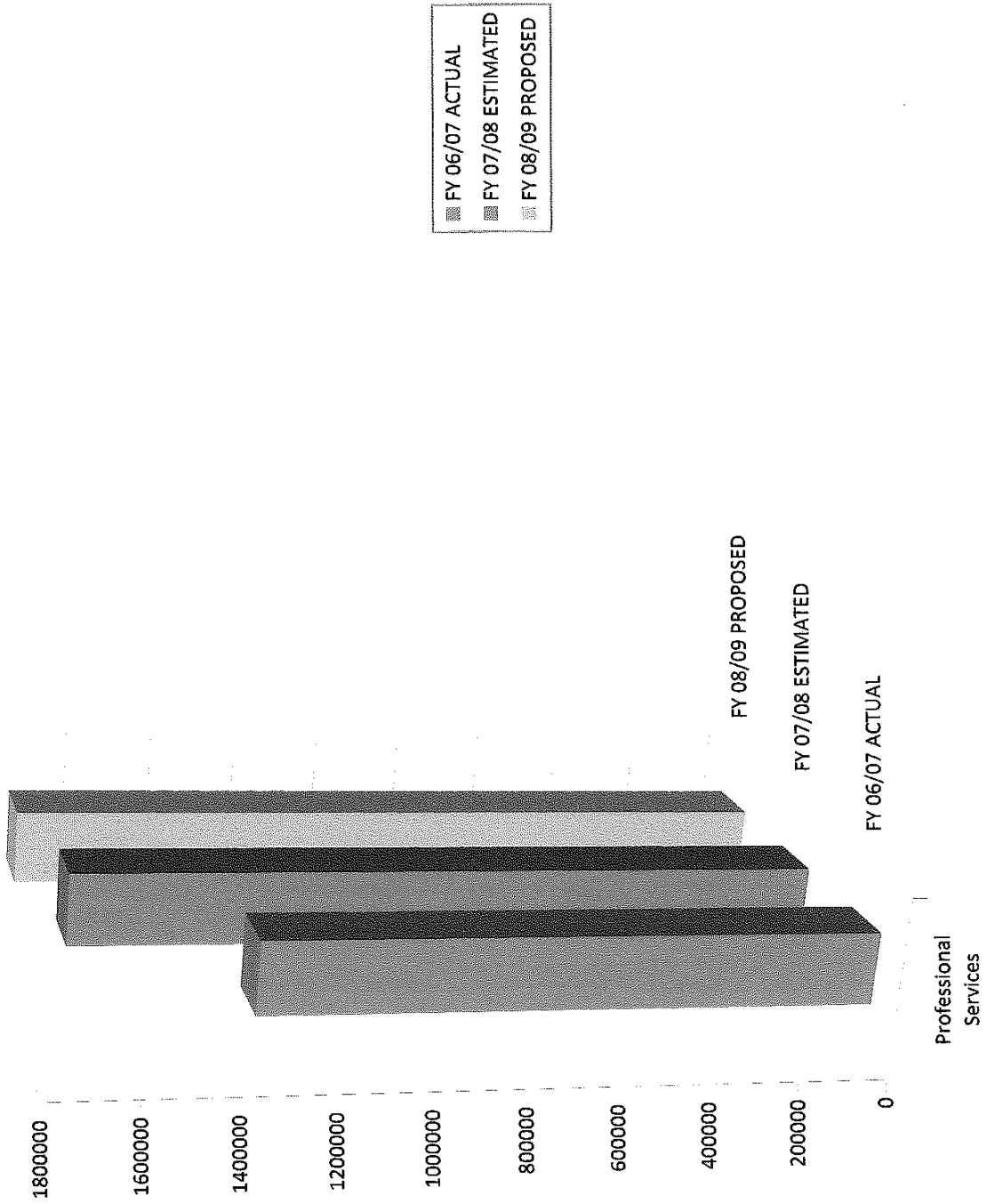
	<u>2007/2008</u>	<u>2006/2007</u>	<u>2005/2006</u>
May	8,910	8,259	7,251
July	9,024	8,389	7,414
September	9,115	8,503	7,602
November	9,121	8,625	7,788
January	9,219	8,744	7,968
March	9,260	8,769	8,064

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

GARBAGE COLLECTION FUND SUMMARY

<u>REVENUES</u>	<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 07/08</u>	<u>FY 08/09</u>	<u>PERCENT</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>CHANGE</u>
Charges for Services					
Disposal Fees	1,397,256	1,701,018	1,691,401	1,753,476	3%
Waste Stickers and Bins	2,199	2,500	2,750	2,500	0%
Interest	<u>123</u>	<u>0</u>	<u>300</u>	<u>0</u>	0%
TOTAL REVENUE	1,399,578	1,703,518	1,694,451	1,755,976	3%
 <u>EXPENSES</u>					
Professional Services					
Disposal Service	<u>1,350,403</u>	<u>1,687,928</u>	<u>1,681,739</u>	<u>1,743,459</u>	3%
TOTAL EXPENSES	1,350,403	1,687,928	1,681,739	1,743,459	3%
Net Income(Loss)	49,175	15,590	12,712	12,517	-20%
 <u>Beginning Net Cash and Net Assets</u>			244,107	256,819	
<u>Ending Net Cash and Net Assets</u>			256,819	269,336	

Village of Oswego
Garbage Collection Fund Expenses



**Village of Oswego
Fiscal Year '08/'09 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 two major capital projects the Village will be accounting for in Fiscal Year 2008/2009. The first started in Fiscal Year 2007/2008 and it is the continuation of the Douglas Road widening project. \$9,000,000 is budgeted to complete the project. The total estimated cost of this project is about \$11 million and is anticipated be done in FY 2008/2009.

The final project is the new Police facility. However, the status of this project was not very certain at the time of the printing of the budget document. The police department's strategic plan adopted by the Village Board in 2006 called for expansion of the current police facility which meant renovating the lower level. After looking at the costs to do this renovation and realizing it would only give the police a short period of additional time before the current facility was again too small, the Board decided to direct staff to pursue a plan of building a new facility. A space needs analysis, the first step towards planning for a new facility, is to be presented to the Village Board in early summer, 2008. At this time, the Board will vote whether to accept the results of the study or to modify its scope. If the Board decided to move forward with the plan as presented, an architectural firm must be hired. If the construction of the police facility is similar to the process followed for the new Village Hall, the architects that did the space needs analysis may be selected to design the facility. Next, a funding mechanism to pay for the facility must be determined. Bonds will most likely be issued but the source that will repay this debt must be clearly identified. Once that process is complete and approved by the Board, the bidding process will begin. Once bids are received and approved by the Board, construction can actually begin. Most likely, any costs incurred in FY 08/09 will be for design, as this will take a fair amount of time to complete before plans that can be used for construction bidding are ready. However, police staff studied the construction of surrounding municipalities' police facilities and the possibility exists of construction getting underway in FY 08/09. This is why the amount of \$5.9 million is included in the

budget for the facility – from a planning standpoint, it makes the most sense to include the initial construction phase of this project since the possibility of it starting exists.

2007/2008 Capital Improvement Fund Objectives: Status

1. Complete the accounting for the new Village Hall project

This is virtually complete. There may be a few items that fall into FY 08/09.

2. Continue to properly account for the Douglas Road widening project.

This has been done and is an ongoing project.

3. Complete the accounting for the bridge scour repair project.

This has been completed.

2008/2009 Capital Improvement Fund Objectives

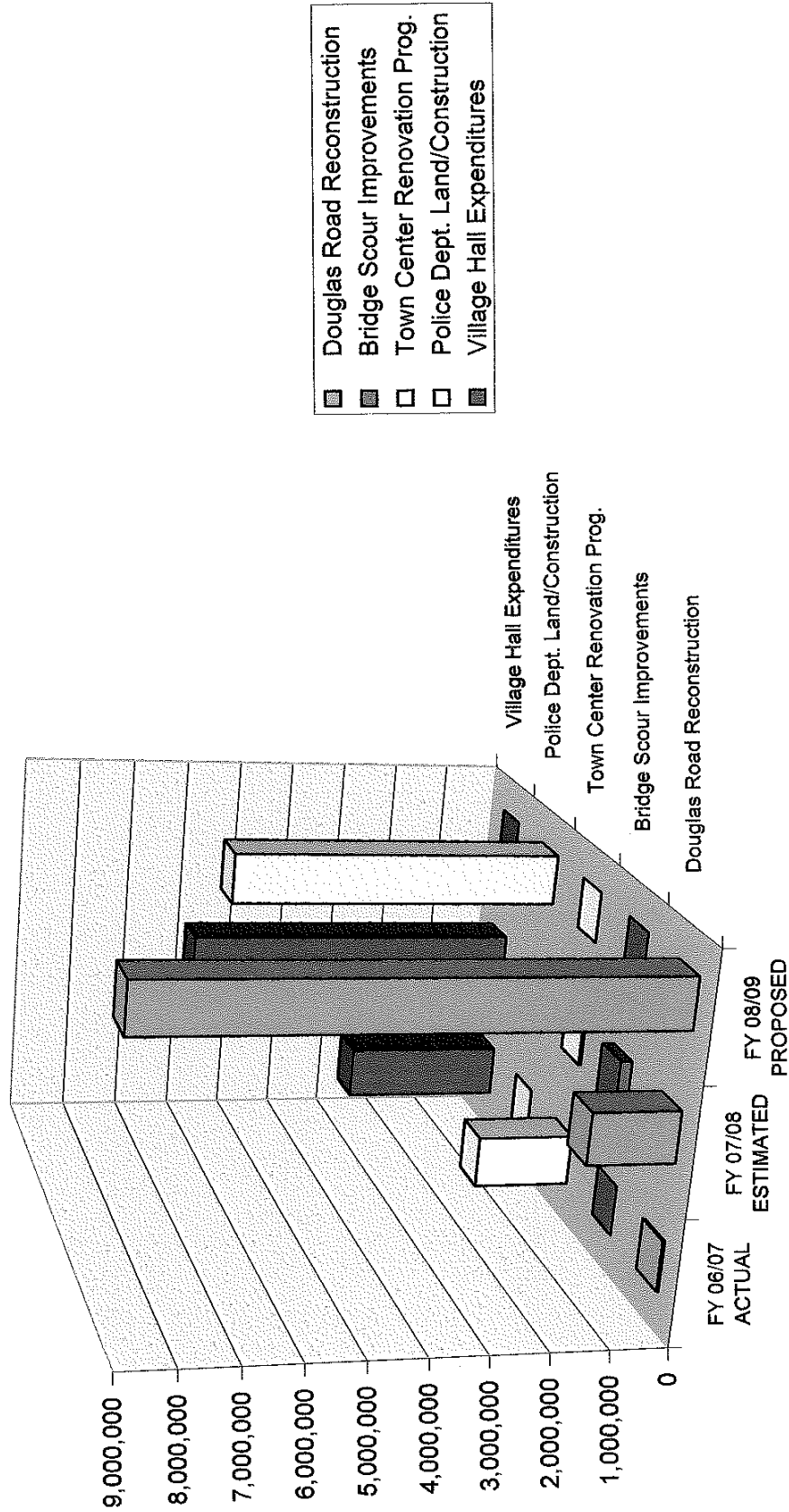
1. Continue to properly account for the Douglas Road widening project.
2. Begin the accounting for the new police facility, if needed.

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

CAPITAL IMPROVEMENT FUND SUMMARY

<u>REVENUES</u>	<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 07/08</u>	<u>FY 08/09</u>	<u>PERCENT</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>CHANGE</u>
Bond Proceeds	9,970,000	8,600,000	6,000,000	7,400,000	-14%
Roadway Improvement Fees	372,236	231,138	134,743	120,239	-48%
Grant Proceeds	0	3,400,000	1,500,000	1,900,000	-44%
Miscellaneous	10,689	0	560	0	0%
Interest	<u>425,489</u>	<u>225,000</u>	<u>195,634</u>	<u>125,000</u>	-44%
TOTAL REVENUE	10,778,414	12,456,138	7,830,937	9,545,239	-23%
<u>EXPENDITURES</u>					
Capital Improvements					
Douglas Road Reconstruction	35,365	4,000,000	1,500,000	9,000,000	125%
Bridge Scour Improvements	0	200,000	200,000	0	-100%
Town Center Renovation Prog.	1,700,997	38,000	37,961	0	-100%
Police Dept. Land/Construction	0	0	0	5,900,000	N/A
Village Hall Expenditures	<u>2,794,171</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>0</u>	-100%
TOTAL EXPENDITURES	4,530,533	10,238,000	7,737,961	14,900,000	46%
Net Income(Loss)	6,247,881	2,218,138	92,976	(5,354,761)	
<u>Beginning Fund Balance</u>			6,849,781	6,942,757	
<u>Ending Fund Balance</u>			6,942,757	1,587,996	

**Village of Oswego Capital
Improvement Fund Expenditures**



**Village of Oswego
Fiscal Year '08/'09 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>
02/03	9,276,614
03/04	8,539,714
04/05	15,271,377
05/06	14,432,504
06/07	25,153,982

The April 30, 2007 outstanding debt is related to the following funds:

Debt Service-General Fund	13,030,000
Water and Sewer Fund	<u>12,123,982</u>
	25,153,982

The following schedule is a breakdown of outstanding debt by issuance:

Series 1997B	2,350,000
Series 1999	210,000
Series 2004	3,880,000
Series 2004A	3,060,000
Series 2004B	2,325,000
Series 2006A	9,970,000
Series 2006B	1,585,000
I.E.P.A. Loan	<u>1,773,982</u>
	25,153,982

The above balances are as of April 30, 2007, the last audited amounts for the Village. The Village of Oswego had two debt issuances in Fiscal Year 2007/2008. The first was for the Water and Sewer Fund for the completion of the Village Hall. This issuance totaled \$3,500,000 and it will be repaid over a twenty year period. The second was for the Douglas Road project. This issuance totaled \$6,000,000 and will be repaid over a twenty year period, as well.

Taking into account the debt issuances that occurred in Fiscal Year 2007/2008, 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>
2009	1,660,000	87,881	1,327,650	3,075,531
2010	1,710,000	90,283	1,258,611	3,058,894
2011	1,775,000	92,751	1,187,093	3,054,844
2012	1,840,000	95,286	1,112,227	3,047,514
2013	1,940,000	97,892	1,032,665	3,070,556
2014	1,525,000	100,569	960,753	2,586,321
2015	1,585,000	103,319	898,712	2,587,031
2016	1,655,000	106,145	833,853	2,594,999
2017	1,705,000	109,049	765,017	2,579,066
2018	1,760,000	49,419	694,297	2,503,716
2019	1,840,000	50,662	620,617	2,511,278
2020	1,915,000	51,936	543,147	2,510,083
2021	1,605,000	53,243	461,748	2,119,991
2022	1,510,000	54,582	392,490	1,957,072
2023	1,595,000	55,955	326,829	1,977,785
2024	1,645,000	57,363	256,923	1,959,286
2025	1,700,000	58,806	184,405	1,943,211
2026	1,315,000	0	109,781	1,424,781
2027	635,000	0	53,400	688,400
2028	<u>670,000</u>	<u>0</u>	<u>27,413</u>	<u>697,413</u>
Totals	\$ 31,585,000	\$ 1,315,141	\$ 13,047,631	\$45,947,771

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, 2007.

April 30, 2007

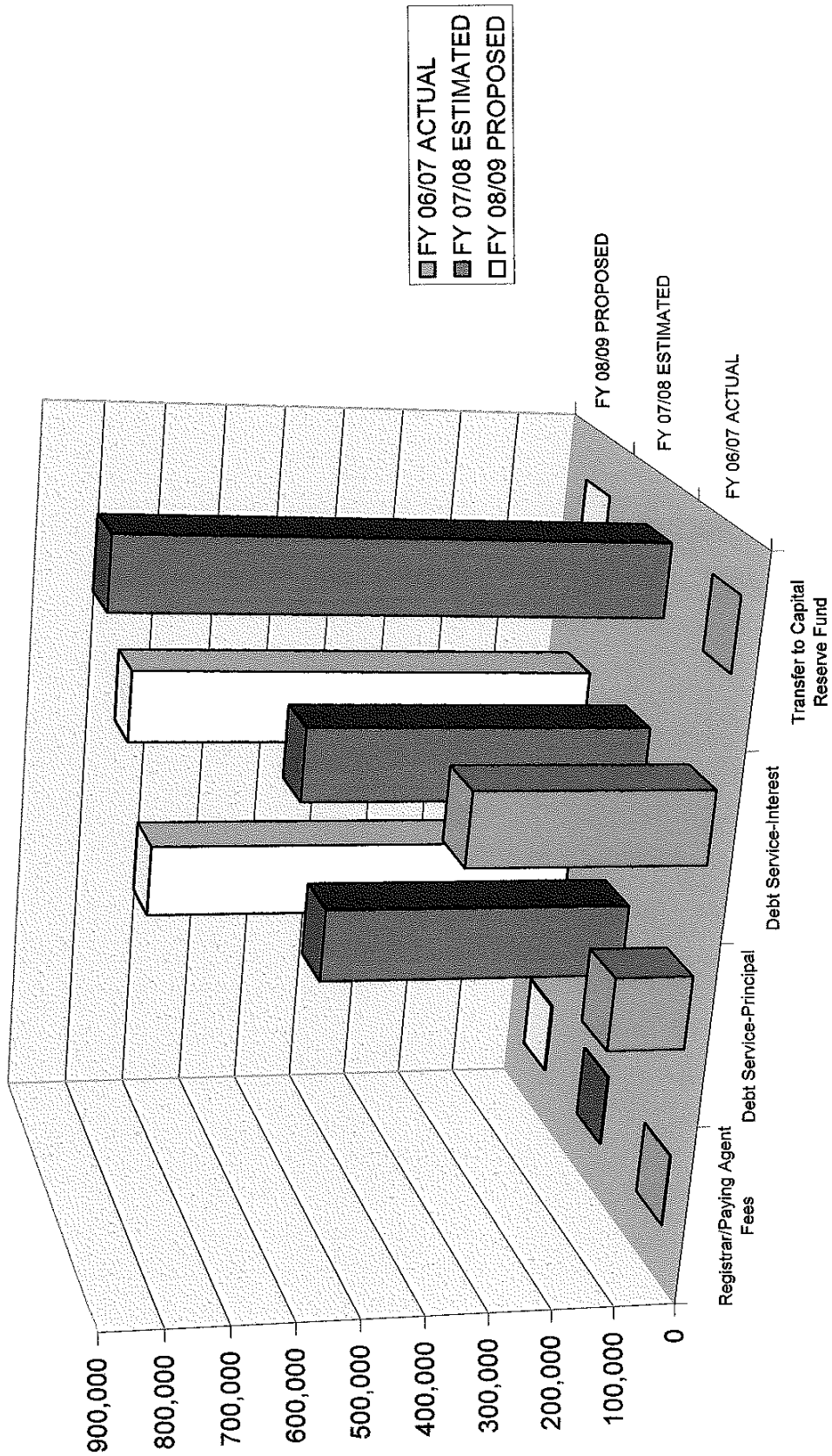
Total Equalized Assessed Valuation (EAV) – 2006 Tax Year	\$ 715,294,792
Legal Debt Limit	
Debt Limitation – 8.625% of EAV	\$ 61,694,176
Debt Applicable to Limitation:	
General Obligation Bonds, Series 2004A	3,060,000
General Obligation Bonds, Series 2006A	<u>9,970,000</u>
Total Debt Applicable to Limitation	<u>13,030,000</u>
Legal Debt Margin	<u>\$ 48,664,176</u>

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

DEBT SERVICE FUND SUMMARY

<u>REVENUES</u>	FY 06/07 ACTUAL	FY 07/08 BUDGET	FY 07/08 ESTIMATED	FY 08/09 PROPOSED	PERCENT CHANGE
Sales Taxes	353,296	261,933	261,933	443,866	69%
Transfers from Other Funds	800,000	350,000	350,000	0	-100%
Transfer from MFT-Douglas Rd.	0	0	0	361,000	N/A
Transfer from Capital Reserve Fund	0	0	0	685,182	N/A
Interest	<u>33,479</u>	<u>10,000</u>	<u>44,427</u>	<u>1,400</u>	-86%
TOTAL REVENUE	1,186,775	621,933	656,360	1,491,448	140%
<u>EXPENDITURES</u>					
Registrar/Paying Agent Fees	1,100	2,400	1,800	1,800	-25%
Debt Service-Principal	125,000	500,000	500,000	720,000	44%
Debt Service-Interest	378,275	555,028	555,028	770,047	39%
Transfer to Capital Reserve Fund	<u>0</u>	<u>874,252</u>	<u>874,252</u>	<u>0</u>	-100%
TOTAL EXPENDITURES	504,375	1,931,680	1,931,080	1,491,847	-23%
Net Income(Loss)	682,400	(1,309,747)	(1,274,720)	(399)	
<u>Beginning Fund Balance</u>			1,303,846	29,126	
<u>Ending Fund Balance</u>			29,126	28,727	

Village of Oswego
Debt Service Fund Expenditures



**Village of Oswego
Fiscal Year '08/'09 Budget**

Debt Service Fund

20-00

Professional Services

52-8220	Registrar/Paying Agent Fees	<u>1,800</u>
Total Professional Services		1,800

Debt Service

59-8200	Debt Principal		
	2004A	125,000	
	2006A - Village Hall	328,251	
	2006A - Town Center	56,749	
	2007B - Douglas Road	<u>210,000</u>	
	Total Debt Principal		720,000
59-8201	Bond Payments-Interest		
	2004A	116,796	
	2006A - Village Hall	356,931	
	2006A - Town Center	61,707	
	2007B - Douglas Road	<u>234,613</u>	
	Total Bond Payments-Interest		<u>770,047</u>
Total Debt Service			1,490,047

TOTAL DEBT SERVICE	1,491,847
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**Village of Oswego
Fiscal Year '08/'09 Budget**

CAPITAL RESERVE FUND

Capital Reserve Fund Overview

The Capital Reserve Fund serves as the holding fund of monies transferred from the General Fund that contribute to a sinking fund to pay for the future debt service requirements on the 2006A bonds issued for the new Village Hall. This transfer from the General fund is primarily made up of Transition Fees.

This fund was created during FY 07/08 after Village staff was advised to a proper accounting treatment for such transfers. Prior to FY 07/08, the transfers went directly into the Debt Service Fund but the build-up of funds in the Debt Service Fund is not allowable under bond covenants. Therefore, the new fund was created to account for this build-up of funds. Through FY 07/08, \$1,750,000 was transferred from the General Fund to pay for the Village Hall debt. In FY 07/08, \$844,252 was transferred from the Debt Service Fund to the newly created Capital Reserve Fund; this was the remaining balance of the \$1.75 million transferred from the General Fund after all applicable debt payments were taken out.

This fund will continue to exist and make annual transfers into the Debt Service Fund for only the amount to be expended that year for the 2006A bonds. If for any reason the General Fund cannot transfer Transition Fees to the Capital Reserve Fund for the debt service of the 2006A bonds, sales taxes will cover the repayment of the bonds.

2008/2009 Capital Reserve Fund Objectives

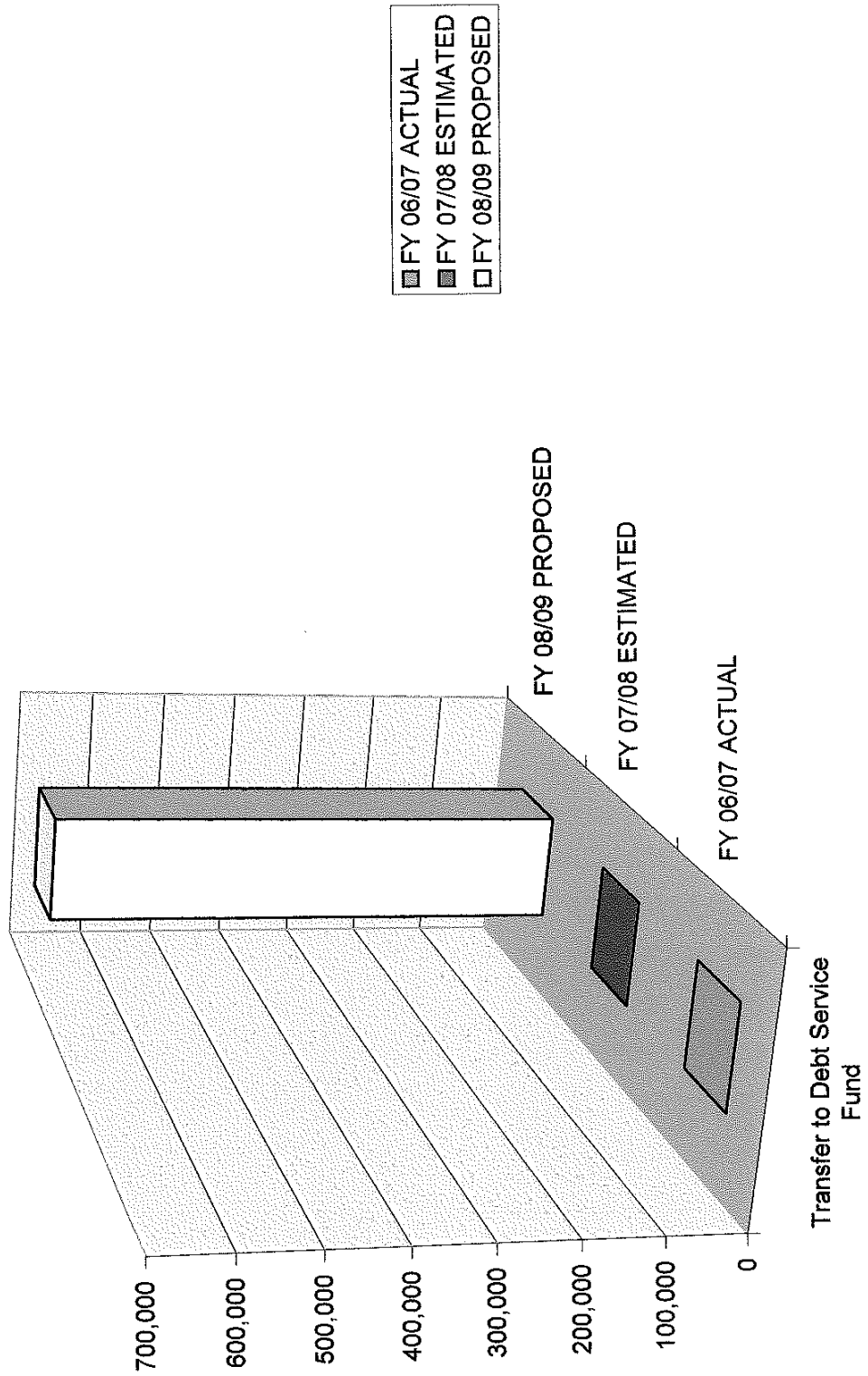
1. Continue to properly account for the transfers in and out to pay for the 2006A bonds issued for the new Village Hall.

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

CAPITAL RESERVE FUND SUMMARY

<u>REVENUES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
Transfers from Debt Service Fund	0	874,252	874,252	0	-100%
Transfer from General Fund	0	0	0	400,000	N/A
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,500</u>	N/A
TOTAL REVENUE	0	874,252	874,252	415,500	-52%
 <u>EXPENDITURES</u>					
Transfer to Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>685,182</u>	N/A
TOTAL EXPENDITURES	0	0	0	685,182	N/A
Net Income(Loss)	0	874,252	874,252	(269,682)	
 <u>Beginning Fund Balance</u>			 0	 874,252	
<u>Ending Fund Balance</u>			874,252	604,570	

**Village of Oswego
Capital Reserve Fund Expenditures**



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**Village of Oswego
Fiscal Year '08/'09 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, 2007 showed that the Police Pension Fund had a funding level of 56.6% and a return on its investment of 9.92% for the fiscal year.

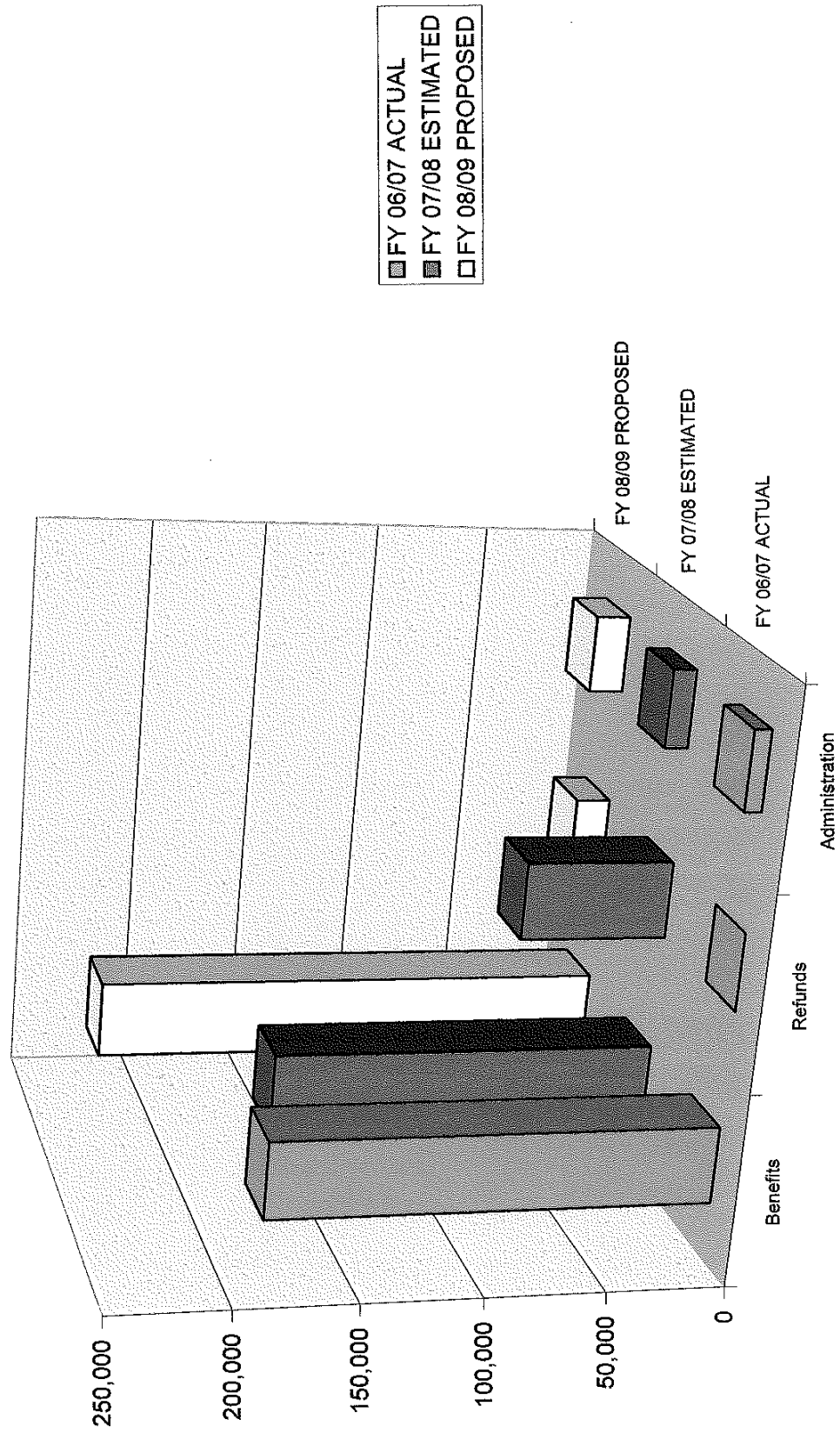
As of April 30, 2008 the Police Pension Fund has only three retirees. It is anticipated that this Fund will have minimal additional retirement obligations for the near future, thus enabling the funding level to grow to a healthier amount.

VILLAGE OF OSWEGO
Fiscal Year '08/'09 Budget

POLICE PENSION FUND SUMMARY

<u>REVENUES</u>	<u>FY 06/07</u> <u>ACTUAL</u>	<u>FY 07/08</u> <u>BUDGET</u>	<u>FY 07/08</u> <u>ESTIMATED</u>	<u>FY 08/09</u> <u>PROPOSED</u>	PERCENT CHANGE
Employer Contribution	630,600	726,606	728,387	752,163	4%
Property Taxes					
Employee Contributions	306,598	349,840	393,396	371,215	6%
Interest Income	<u>578,681</u>	<u>300,000</u>	<u>215,000</u>	<u>551,949</u>	84%
TOTAL REVENUES	1,515,879	1,376,446	1,336,783	1,675,327	22%
 <u>EXPENDITURES</u>					
Benefits	184,237	164,786	163,201	221,131	34%
Refunds	0	63,000	63,000	15,000	-76%
Administration	<u>7,187</u>	<u>12,000</u>	<u>10,000</u>	<u>15,000</u>	25%
TOTAL EXPENDITURES	191,424	239,786	236,201	251,131	5%
Beginning Net Assets			6,784,405	7,884,987	
Ending Net Assets			7,884,987	9,309,183	

**Village of Oswego
Police Pension Fund Expenditures**



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**Village of Oswego
Fiscal Year '08/'09 Budget**

GLOSSARY OF TERMS

ACCOUNT	A term used to identify an individual asset, liability, expenditure control, revenue control or fund balance.
ACCOUNTING SYSTEM	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.
ACTIVITY	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.
AICPA	American Institute of Certified Public Accountants
APA	American Planning Association
ASSETS	Property owned by a government which has a monetary value.
ASSESSED VALUATION	A valuation set upon real estate or other property by the County Assessor as a basis for levying taxes.
BOCA	Building Officials Code Administrators
BOND	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.
BONDED DEBT	That portion of indebtedness represented by outstanding bonds.
BUDGET	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).

CAPITAL RESERVE FUND	A fund created to account for the Transition Fee transfers from the General Fund that accumulates over time to pay the debt on the new Village Hall. Each fiscal year, the exact amount of that year's debt is transferred from the Capital Reserve Fund to the Debt Service Fund.
CHART OF ACCOUNTS	The classification system used by the Village to organize the accounting for various funds.
COMMISSARY EXPENSES	Consumable items used by Village departments. Examples include office supplies, replacement parts for equipment, and gasoline.
CONTINGENCY	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
CONTRACTUAL SERVICES	Services rendered to Village departments and agencies by private firms, individuals, or other government agencies. Examples include utilities, insurance, and professional services.
C.O.W. or COW	Committee of the Whole
CSO	Community Service Officer
DARE	Drug Abuse Resistance Education
DEBT SERVICE FUND	A fund established to finance and account for the accumulations of resources for, and the payment of, general long-term debt principal and interest.
DEBT SERVICE REQUIREMENTS	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.
DEFICIT	(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.
DEPARTMENT	A major administrative organizational unit of the Village which indicates overall management responsibility for one or more activities.
DEPRECIATION	(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.

DISBURSEMENT

Payments for goods and services in cash or by check.

EAV

Equalized Assessed Valuation

ECO

Environmentally Conscious Oswegoans

ENTERPRISE FUND

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.

ESTIMATED REVENUE

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.

EXPENDITURES

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.

EXPENSES

Charges incurred, whether paid or unpaid, for operation, maintenance and interest, and other charges which are presumed to benefit the current fiscal period.

FICA

Social Security and Medicare

FIDUCIARY FUNDS

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.

FISCAL YEAR	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.
FIXED ASSETS	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.
FTE	Full Time Equivalent
FTO	Field Training Officer
FULL FAITH & CREDIT	A pledge of the general taxing power of the government to repay debt obligations (typically used in reference to bonds).
FUND	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.
FUND ACCOUNTS	All accounts necessary to set forth the financial operations and financial conditions of a fund.
FUND BALANCE GENERAL FUND	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.
GASB	Governmental Accounting Standards Board
GENERAL OBLIGATION BONDS	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.
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GLTD	General Long-term Debt

GOAL	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.
GOVERNMENTAL FUNDS	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.
GPS	Global Positioning System
GRANT	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.
GREAT GRANT	Gang Resistance Education And Training federal grant
HOA	Home Owners Association
IAMMA	Illinois Association of Municipal Management Assistants
ICC	International Code Council
ICMA	International City Managers Association
ICSC	International Council of Shopping Centers
IDOT	Illinois Department of Transportation
IEPA	Illinois Environmental Protection Agency
ILCMA	Illinois City Managers Association
IML	Illinois Municipal League
IMRF	Illinois Municipal Retirement Fund - a retirement fund covering Illinois municipal employees
INCOME	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."

INTERFUND TRANSFERS	Amounts transferred from one fund to another fund.
IT	Information Technology
JULIE	Joint Utility Locating Information for Excavators
LAPP	Local Agency Paving Project
MFT	Motor Fuel Tax
MIS	Management Information Systems
MSI	Municipal Software Incorporated
NAHRO	National Association of Human Rights Workers Organization
NCBI	National Coalition Building Institute
NEMRT	North East Multi-Regional Training
NIPC	Northeastern Illinois Planning Commission
NPDES	National Pollution Discharge Elimination System
NPELRA	National Public Employee Labor Relations Association
OEDC	Oswego Economic Development Corporation
OPERATING BUDGET	The portion of the budget that pertains to daily operations that provides the basic government services.
ORDINANCE	A formal legislative enactment by the governing board of a municipality.
OSHA	Occupational Safety Hazards Act
PAAC	Police Activities and Athletics Center
PER CAPITA REVENUES	Revenues received by the Village based upon its total population.
PERSONNEL SERVICES	Costs related to compensating Village employees, including salaries, wages and benefits.

PROPERTY TAX	Property taxes are levied on real property according to the property's valuation and the tax rate.
PROPRIETARY FUNDS	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.
RFP	Request For Proposals
RESERVE	An account used to indicate that a portion of a fund balance is restricted for a specific purpose.
RETAINED EARNINGS	An equity account reflecting the accumulated earnings of the Village's enterprise funds.
REVENUES	Funds that the government receives as income.
SCADA	Supervisory Control and Data Acquisition Computerized system of monitoring water flow and levels at the water plant.
SINKING FUND	A term used to express the amount of funds accumulated to pay for a specific purpose. Usually associated with debt or capital projects.
SPECIAL REVENUE FUNDS	A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
SRT	Special Response Team
TAXES	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.
TAX LEVY	The total amount to be raised by general property taxes for operating and debt service purposes specified in the Tax Levy Ordinance.
TAX LEVY ORDINANCE	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.