



Village of Oswego, Illinois

FISCAL YEAR 2009/2010 BUDGET

**Village of Oswego, Illinois**

**Principal Officials**

**Fiscal Year 2009/2010 Budget**

Legislature

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Tony Giles

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**May 1, 2008**

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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, 2008. 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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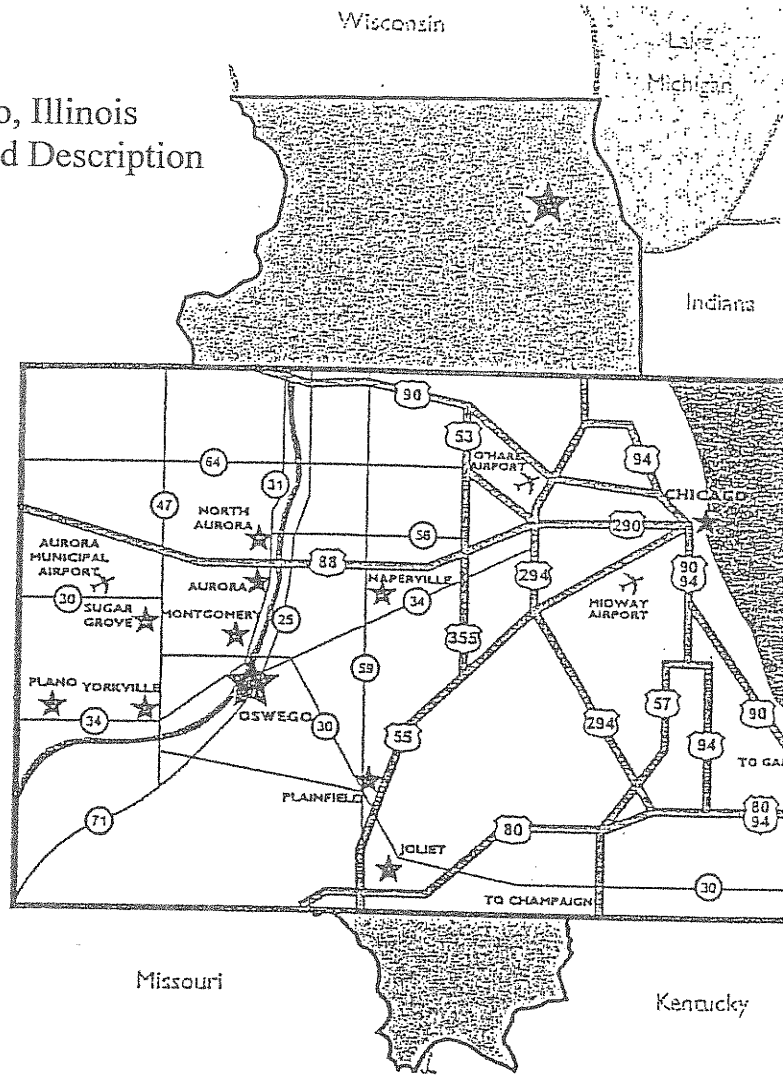


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## Oswego, Illinois Location and Description

### 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, Waubonsee, 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 Waubonsee. 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 Waubonsee 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 was a full Special Census conducted in the summer of 2008 and the Village's official population rose to 29,012. This is an increase of 45.4% in 4 years. The Village is projected to have a total population of at least 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 as of January, 2009, 115 homes were sold in the Village between November, 2008 and January 2009. The median price was \$228,000, which was up 4.23% from the same time frame from the prior year.

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 2009. 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 had been improving over the last four years from the higher levels seen at the beginning of the decade. However, 2008 saw the annual average unemployment rate increase to 5.7% from 3.9% in 2007, 3.3% in 2006, 4.5% in 2005 and 4.9% in 2004. However, due to decline in the U.S. economy over the last year, unemployment in the Village has increased. This increase was expected and the Village's rate is lower than the national average. 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 total population is now 29,012 after a full special census was completed in the summer of 2008. Further examples of the Village's growth can be detailed in the section of the budget for the Water and Sewer Fund. Information is given on the total number of water accounts for the last three fiscal years – here, too, the growth is very plain to see.

### 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. Kendall Point is home to several large employers, including ABF trucking, HQC, Inc., and Precision Packaging. To date, the two largest tenants at Stonehill 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 in the Village is the Highland Business Center. This park 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 to a new 112,000 sq. ft. facility in 2004, and completed a 50,000 sq. ft. expansion in 2008. 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.

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.

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 are now being fully realized. 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, Olive Garden, and Chipotle. 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 Bed Bath & Beyond, Michael's, Old Navy, and Sears Home Appliance. 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.

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 are in the planning process: a five-acre site on Route 31 called the Studio Shop that will include an upscale restaurant; and Alexander Square, a mixed-use project on the site of the former lumber yard. In January 2009, the Village completed a study by Kane, McKenna & Associates, on a Tax Increment Financing District for the portion of downtown Oswego that will be redeveloped; namely the lumber yard site and the block that includes the former Village Hall property.

## **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 is one collective bargaining unit in the Village – the patrol officers. The Village's administrative offices are located in the Village Hall.

The new Village Hall opened May 2, 2008. The total cost of the facility was just over \$12.8 million and was funded by two bond issuances that are supported by transition fees and Water and Sewer Fund revenues. The new building, with 30,000 square feet of finished space and 15,000 square feet of unfinished space will provide the Village with a facility that has the potential to serve as the Village Hall for well over 50 years, perhaps even double that length. All departments are housed in the Village Hall, with the exception of Police and Public Works crews, after years of working in separate buildings throughout Oswego's downtown.

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 were brought to the Board FY 2008/2009. The results of the study indicated a need for a facility exists. The next step in the process is to determine how the Village will pay for this new facility. Concerns were raised during the FY 2009/2010 budget process about the affordability of this project given the Village's current debt load as well as if now is the best time to start this project given the state of the economy. Continued discussions by the Board and staff will occur before this project proceeds into the hiring of an architect, let alone the construction phase. Funds were included in the FY 2009/2010 budget to start this project until just prior to the adoption of the budget when the Board acted to remove those funds to wait until such a time that a funding source is clearly identified for this project. This could happen in FY 2009/2010 and the project could be added back into the budget through the budget amendment process or the project could be held off until a future fiscal year depending on which method and time frame the Board determines is best suited for the Village.

The Public Works department is located in the new Public Works facility 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 2009/2010. However, much as the case with the new Police facility, the expansion of the Public Works facility is subject to funding concerns and current debt load concerns. This project will proceed forward only when a viable funding solution has been identified.

The Village has taken steps to plan for and guide the fast pace of growth it has experienced for more than 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 million 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 2.46 million gallons, down almost 10,000 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 \$90,000 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 thirteen 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 08/09 enrollment population is 15,654 students.

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

### Park District

The Oswegoland Park District operates park and recreational facilities in and around the Villages corporate limits. The District's area is approximately 36 square miles and is over 810 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 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



173,226 volumes and resources and there were 269,657 visitors to its facilities over the course of 2008. The Library is part of the Prairie Area Library System (PALS) 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 40,000 residents that includes the Village of Oswego. The district opened its fourth station in January, 2006 and has plans for a fifth, central station in the coming years.

## How to Use This Budget

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

### I. Overview

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

### **Transmittal Letter**

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

### **Budget Message**

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

### II. Financial Summary

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

### III. General Fund

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

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

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

#### IV. Other Funds

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

#### V. Supplemental Schedules

Included in this section is a glossary of terms.



Village of Oswego, Illinois  
Fiscal Year 2009/2010 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, 2009 and ending April 30, 2010. The budget is \$28,903,187 for all funds, including transfers. The General Fund budget is \$13,620,126, including transfers to the Police Pension, Debt Service and Capital Reserve Funds, but before the Contingency for Infrastructure which may never be spent. Including the Contingency for Infrastructure, total General Fund Expenditures total \$13,820,126. General Fund operating revenues of \$13,824,554 exceed total expenditures by \$4,428, but revenues exceed operating expenditures and transfers by \$204,428, leaving the anticipated April 30, 2010 General Fund Fund Balance at \$5,488,985. This Fund Balance amount represents a 4.8 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 2009/2010 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 2009/2010 Budget includes \$61,245 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 2009/2010 where fiscal years 2007/2008 and prior saw these two amounts total well into six figures. The Motor Fuel Tax Fund has \$500,000 in capital expenditures. The Water and Sewer Fund has \$6,750,000 in capital expenses and \$0 in additional personnel expenses even though there is an additional part-time Utility Billing Administrative Assistant being added to staff; the existing part-time budget in the Water and Sewer Fund can absorb this cost. Of this \$6,750,000 amount, \$250,000 will be funded by Water Tap-On Fees collected during the fiscal year and the remainder from bond proceeds if all projects are approved by the Board to proceed. Finally, the Capital Improvement Fund has \$2,645,000 in capital expenditures that will all be funded by bond proceeds with the exception of the \$50,000 Orchard Road crosswalk project.

There is only one additional part-time staff addition for the Village included in the FY 2009/2010 budget but this has not increased any dollars allocated in the Village's budget. The position is in the Water and Sewer Fund and existing budget amounts can absorb this new position. 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 2009/2010 include the completion of the Douglas Road Reconstruction project, Public Works vehicle replacements, computer system hardware/software 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.

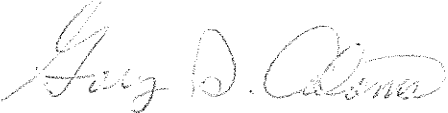
There are two fee increases across the entire Village for FY 2009/2010. Water rates will increase from \$2.72 per 100 cubic feet to \$2.82 per 100 cubic feet and take affect May 1, 2009 and first appear on the July, 2009 water bill. This is an increase of 3.7% which is based on the Consumer Price Index (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.

In conclusion, the Fiscal Year 2009/2010 budget contains a surplus in the General Fund. However, the surplus is tenuous at best and staff is very aware that it must be as cautious and prudent as ever while managing its respective departmental budgets. The Village has a strong reserve in its General Fund and has not had to tap into its "rainy day" funds as of yet; however, given the state of the economy and the amount of operating revenues the Village has lost over the last three years, using some of its reserves may, at some point, have to happen. The benefit of having money in the bank for downturns in the economy, such as today, is a credit to the years of prudent financial planning that this Board, past

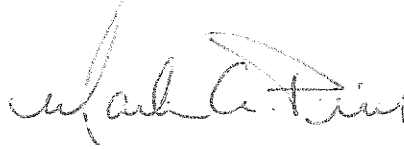
Village Boards and staff have undertaken. The Village service levels will be maintained from FY 2008/2009 levels as best as can be managed though it is difficult to predict if levels will noticeably increase due to the lack of resources available to the Fund in FY 2009/2010.

We are pleased to submit the Fiscal Year 2009/2010 Budget to the Board of Trustees at this time.

Sincerely,



Gary D. Adams  
Village Administrator



Mark A. Pries  
Finance Director/Budget Officer

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## 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 strategic planning/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 2009/2010 place emphasis on the ability of the Village to mature into the growth it has experienced over the last ten-plus years. Also, expanding responsibilities to its citizens, staff and the future stability of the Village government are points of importance. The goals developed for FY 2009/2010 are well-rounded and will establish the foundation of a strong and well-functioning government for years to come.

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 2009/2010 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 2009/2010 Budget, it is designed to accomplish the Village Board's goals as defined in the strategic planning/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 2009/2010 budget reflects the difficulties faced by an economy in a deep recession and a housing market that has slowed dramatically 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. Village-Wide Goal Setting Meeting:

In preparation for assembling the Fiscal Year 2009/2010 Budget, Village Staff and the Village Board conducted a strategic planning/goal setting meeting in March, 2008. The Board, along with Staff's assistance, developed broad-based goals for the coming fiscal year that took into account several factors that are detailed in the following section entitled "2009/2010 Budgetary Priorities."

2. 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.

3. The Capital Improvement and Staffing Plans:

The Capital Improvements Plan facilitates planning for capital expenditures over a multi-year period. The 2009/2010 Capital Plan calls for the completion of the work on the Douglas Road widening project and the start of the new Police facility, if a funding source can be identified, from the Capital Improvement Fund. However, there are no capital expenditures planned from the General Fund except for the continued purchase of computer equipment and/or software 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 that started at the end of fiscal year 2008/2009 but will take two fiscal years to complete and will be funded by bond proceeds. There is also an expansion of the Public Works facility planned for but, much like the Police facility, a funding source for this project must be identified before this project can start. 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 2009/2010 Staffing Plan called for several staff additions in the Corporate, Public Works and Police departments but only one part-time addition in the Water and Sewer Fund could be included in the budget due to the lack of funding to support any other additional costs.

## 2009/2010 BUDGETARY PRIORITIES:

### The Economy

The 2009/2010 budget for the Village of Oswego continues the trends started with the FY 2008/2009 budget. The state of the economy in the United States has made it very difficult for Oswego to maintain the service levels the Village is used to giving its residents. The Village is very dependent on revenue streams that are directly influenced by the economy – sales taxes and income taxes. The Village has been fortunate to receive what it has over the last several years but it had planned to receive more had the economy not change course so dramatically two years ago. This fact has led the Village to do more with less all the while without having to touch its reserves, which is something very few governments can say.

Going forward, however, the Village is facing some difficult decisions. As previously stated, the Village relies heavily, perhaps too much, on sales and income taxes to support its General Fund. Sales taxes also support some of the Village's debt. Alternative funding sources for the Village need to be brought about and these are not easy decisions, nor popular decisions, to make. However, for the long term financial stability and overall financial strength of the Village, changes need to be made.

### 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 2009/2010 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, identified as long-term and short-term goals, is the Village Board strategic planning goals for 2009/2010:

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

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 2009/2010, the combined budget of all funds reflects \$28,903,187 of expenditures (excluding capital expenses in the Water and Sewer Fund). This represents a 28.8% decrease in expenditures for all funds. Projected revenues across all funds total \$27,376,571. This represents a decrease of 23.67% from the prior year, due to a smaller amount of bonds being issued in 2009/2010 than those issued in 2008/2009, decreased water tap-on fees collected in the Water and Sewer Fund and an expected decrease in earnings in the Police Pension Fund. Also, the downturn in the economy has caused the Village to lose certain revenues in FY 2009/2010 such as permit fees and transition 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 \$13,620,126 of expenditures after transfers. This represents a 1.79% increase in expenditures for the General Fund, with the entire increase due to transfers to other funds. Revenues for the General Fund are \$13,824,554. This is an increase of 3.15%.

The combination of the funds utilized for operations and pension funds will produce a projected, fiscal year 2009/2010 year-end General Fund Balance of \$5,488,985. Based on the total expenditures of \$13,620,126, this represents a 4.8 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 53 of the Budget document.

#### **DEPARTMENTAL OVERVIEW:**

The 2009/2010 Budget, as presented, includes salary merit increases for eligible employees as well as an estimate of increases for those newly unionized patrol officers. A Cost-of-Living Adjustment (COLA) will not be given to employees as of May 1, 2009 for all non-sworn Police department personnel. A COLA increase has been the practice of the Village for the last seven years but due to the losses in the stock market in 2008, the pension fund that covers Village employees, IMRF, suffered substantial losses. The COLA that was going to be given to employees will be shifted to cover the increased employer contribution to IMRF for 2010. The late notice the Village received in the increase in employer rates prompted the elimination of the COLA for one year only. It is the intention that the Village will now be able to plan for this increased cost for IMRF and will plan to give employees a COLA for FY 2010/2011. Merit increases are budgeted for these same personnel members for January, 2010 and will range between 0% and 4%. Sworn Police patrol officers salaries have been estimated since their contract has not been agreed to at the time the budget was complete. However, police sergeants and captains do have an agreement (non-union) and are set at the beginning of the fiscal year per the terms of an employment agreement.

The Budget plans for only one part-time addition in personnel due to the downturn in both the economy as well as the housing market. This part-time addition is in the Water and Sewer Fund and is for a Utility Billing Administrative Assistant. With that being said, FY 09/10 employee counts will look very similar to FY 08/09. However, there were needs to fill other new positions in FY 09/10 but, obviously, these new positions will have to wait until FY 10/11 to determine if they will be filled.

Following is a chart that depicts Full Time Equivalent (FTE) personnel, by department, from Fiscal Year 2007/2008 projected through Fiscal Year 2009/2010. This chart shows authorized positions. However, Building and Zoning has 1.5 positions and Community Development has 1 position that will be vacant for the entire fiscal year of 2009/2010. 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	2007/2008	2008/2009	2009/2010
Corporate*	15.5	15.5	15.5
Building and Zoning**	12.0	12.0	12.0
Community Development**	6.5	6.5	6.5
Public Works/Water**	32.0	32.0	32.0
Police	68.0	68.0	68.0
TOTALS	134.0	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. The Village's health insurance renewed below a 6% level for FY 2009/2010, much lower than the national average of around 10%.

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 07/08 Actual. This reflects the amount actually spent in Fiscal Year 2007/2008 in each of the listed categories: personnel, insurance, professional services, etc. The second column is FY 08/09 Budget, including amendments. This column reflects the amount budgeted to be spent in each of the listed categories in Fiscal Year

2008/2009. The third column is FY 08/09 Estimate. This column reflects the amount the department anticipates spending in each of the listed categories by the end of fiscal year 2008/2009. The fourth column is the proposed budget presented to the Board for its consideration for Fiscal Year 2009/2010. 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 08/09 Budget column to the FY 09/10 Proposed Budget column. In reviewing this column, it is also important to take note of the FY 08/09 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 2008/2009 but believes it will actually spend \$12,000, then \$12,000 will show up in the FY 08/09 Estimate column. It would explain why the department decided to budget \$13,000 in FY 2009/2010 for overtime.

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.

## 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 summary sheet for Corporate shows an overall increase of 3%. This increase is the direct result of only a few items which will be described in further detail below. However, it must be pointed out that significant belt tightening measures were taken during the development process of the FY 09/10 budget. The Finance Director/Budget Officer directed staff to keep any increases at a 0% level unless there was a contractual or clearly identifiable need to increase a cost category. Cooperation at the departmental level was very strong and achieved a balanced budget in a very difficult economic climate.

Personnel Services contain merit increases for staff as well as the increases for the Board that were voted on two years ago causing this increase of 3%

Insurance and Benefits are up by almost 6% due in some part by the health insurance increase but also more significantly due to the increase in the IMRF employer rate.

Professional Services increased because legal services. There is a budget of \$175,000 in the FY 08/09 budget for legal but this number increased to \$300,000 to bring the line item up to

actual expenditures and to cover the expected costs of union contract negotiations with the patrol officers. The anticipated costs for union negotiations are planned for a maximum of \$75,000. One last item to note in this area is the façade improvement program has been removed for FY 09/10. There has been no applications made to this program for over a year and there has been no inquiries made about it currently. Staff believes the funds can be placed back in future years when the interest returns to the program.

Contractual Services is the only other area that has increased and it has increased by less than \$9,000. This is due mainly to increased costs for the maintenance contract on the Village's financial software as well as the addition in FY 08/09 of T-1 lines that carry data between the Village Hall and the Public Works facility. The Village's financial software was bought-out two years ago and this transaction took full effect in 2008. The Village was notified of the rate increase in the summer of 2008. The T-1 lines were an improvement recommendation from the Technology Committee and are an expense the Village did not previously have. This is an additional \$4,200 expense per year.

Communication decreased slightly due to decreased needs for outsourced printing services. The other items in this category have either shifted up or down slightly.

Professional Development decreased mainly due to decrease in Travel and Training by over \$10,000. Almost all areas of training have decreased while still respecting the needs of those with certifications that need continuing education to maintain their certifications as well as providing some skill enhancing opportunities for all staff.

Operating Supplies decreased due to bringing the items in this category to actual levels for FY 09/10.

Capital Outlay has remained flat. There will be as many as fifteen new PC's purchased for those employees that have systems that are degrading due to their age or hardware problems. Any usable PC's that are removed will either be given to Public Works for their Tech's or sold at auction. As many as four new printers will be purchased to replace those printers that are at the end of their service lives.

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

Overall, Building and Zoning's budget decreased by over 9%. The major reason for this decrease is due to the fact the department has left 1.5 open positions vacant and will do so until the building activity has picked back up and is maintaining an increased pattern. However, staff firmly believes this increased pattern will not occur in FY 09/10 and, therefore, there is no money budgeted for these positions in FY 09/10.

The position vacancies are the reason for the decrease in budget for Personnel Services of 10% and the decrease in Insurance and Benefits of 9%.

Professional Services increased due to the increased amount of contractual grass cutting the department has to get done for the increasing number of vacant lots/properties in the Village.

The remaining expenditure categories have all decreased as a direct result of belt tightening measures.



**Community Development Department:**

The Community Development's budget decreased by almost 26% overall. Community Development has one position that is vacant that it will not fill in FY 09/10 and will wait to fill until building activity has picked back up and is maintaining an increased pattern.

The position vacancy is the reason for the decrease in budget for Personnel Services of 14% and the decrease in Insurance and Benefits of 7%.

Professional Services decreased due to the inclusion of only one study, the Downtown Study, as compared to the two studies that were included in the FY 08/09 budget. Other line items in this category increased or decreased slightly due to overall needs of the department.

Contractual Services decreased due to the department's decreased demand for sidwell aerial map updates. Communication is lower due to decreased needs of the department for printing services.

Professional Development increased due to increased Travel and Training needs of the department.

Operating Supplies decreased due to the fact supply needs have decreased as the level of projects has also decreased.

Finally, Capital Outlays decreased by over \$22,000 for FY 09/10 with only a small upgrade to the mapping software planned.

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

The Road and Bridge budget has decreased by 3% for FY 09/10 for several reasons. Personnel Services in Public Works are generally allocated 70% Water and Sewer Fund/30% Road and Bridge. There have been some allocation changes made that explain the 9% increase in Personnel Services.

Insurance and Benefits have increased by 5% due in part by the 6.6% increase in health insurance costs and also to the increase in IMRF costs.

Professional Services dropped by \$15,000 due to a decreased demand for engineering services related to Road and Bridge specific projects in FY 09/10.

Contractual Services decreased by 9%, or by \$80,000 for several reasons. First, Rental Expense increased by \$40,000 to cover the cost of renting equipment that could not be afforded from the capital plan in FY 09/10. Snow Removal Expense is the major increase in this category and a fact that the Board is well aware of. This line item has increased from an adjusted FY 08/09 budget of \$200,000 to \$250,000 in FY 09/10. Staff does not expect the price of road salt to decline below the prices the Village had to pay in FY 08/09 and has increased the budget by \$50,000. Staff will be exploring alternative salt purchasing options as well as alternative de-icing options for the winter of 2009/2010. Maintenance, Bridges is reduced by \$10,000 due to increase work completed in FY 08/09. Maintenance, Street Lights decreased by \$50,000 to a total budget of \$100,000. The in-house program of handling electrical matters has saved the

Village a substantial sum of money. LED street light initiatives have been paid from this line item in FY 08/09 and will have the ability to continue to do so in FY 09/10. Leaf Removal Expense increased by \$5,000 due to the increased areas that need to be serviced. There is a new initiative being proposed by staff in the Leaf Removal area. Staff is proposing to purchase a leaf vacuum system from the \$60,000 budget. This will allow staff to run one leaf vacuum team and one leaf plow team. Both teams will be able to run for the budgeted \$60,000 amount and staff believes the Village will be less dependent on Waste Management Services to dispose of the vacuumed leaves, thus decreasing disposal costs. If this initiative works as staff plans, a second leaf vacuum may be purchased in FY 10/11. The one area that decreased is Maintenance, Streets/Storm Sewers. There were several unforeseen infrastructure projects that occurred earlier in FY 08/09 that caused this line item to spend over \$117,000 that was not budgeted. This line item returned back to its usual \$50,000 annual level but there is a new category elsewhere in the General Fund – Contingency for Infrastructure – that will cover the types of unforeseen expenditures that the Maintenance, Streets/Storm Sewer previously did.

The remaining expenditure categories: Communication, Professional Development, Operating Supplies and Capital Outlay have all remained at the same level as FY 08/09. The levels in these categories are realistic levels required by the department to keep service levels at the levels which they currently reside.

**Police:**

The Police department's proposed FY 09/10 budget has an overall increase of 3%.

First, Professional Services decreased by 28% due to decreased service requirements for the Police Commission. The list for new police officers was done at the end of FY 08/09 and this list will be good for at least one year.

Contractual Services increased by almost \$31,000 due to several items increasing marginally from FY 09/10. General Insurance, Maintenance, Building and Maintenance, Police Equipment are all examples of expenditure line items that increased to maintain service levels.

Communication rose by 4% due to the fact the department will be incurring costs for the new administrative adjudication process that will start in FY 09/10. Also, it will be conducting a Village-wide survey of its services in FY 09/10 and its postage costs increased to cover the mailing expense of this survey.

Professional Development decreased by 13%. This is a belt-tightening measure and it also brings this category to the levels are more truly realizable but still allows the department the ability to send its staff and sworn officers to continuing training opportunities.

Operating Supplies increased by about \$21,000. This entire increase is fully attributable to gasoline costs. Staff is not certain where the costs of gasoline will go in FY 09/10 but it wants to be prepared in case it spikes again to levels seen in the summer of 2008 or higher.

Capital Outlays has decreased by about 39%. This category is scheduled to replace departmental computers and/or software in FY 09/10 – all of which are much needed upgrades and are in line with the rest of the Village's annual computer replacement program.

### Transfers to Other Funds:

The Transfer to the Capital Reserve Fund for the Village Hall increased by \$50,000, keeping the funding mechanism on schedule for the 2006A bonds that were issued for the Village Hall construction. Transition Fees are the basis for this transfer and General Fund revenues make up for any shortfall if Transition Fees do not fully cover this transfer.

The Transfer to Debt Service-Douglas Road increased about \$71,000 but this is a one-time spike. The majority of the \$6 million 2007B bond issuance for the Douglas Road project will be repaid from the MFT Fund but whatever the fund cannot support becomes a general obligation of the Village. Staff believes that, over time, as the Village's MFT Allotments increase as the population grows (MFT Allotments are received on a per capita basis), the General Fund's obligation will be removed. This one-time spike for the General Fund transfer will reduce greatly for FY 10/11 and eventually be reduced to \$0.

Finally, the Transfer to Police Pension Fund ties directly to the property taxes the Village will receive in FY 09/10 that were levied for this very purpose. This represents the employer's annual contribution to the pension fund based upon annual actuarial calculations.

The Village President has requested that staff present the idea of making additional contributions to the Police Pension Fund over and above what is actuarially determined for the fiscal year. At this time, staff is not recommending the Village take this course of action for the following reason: the calculation done by the actuary takes into account all information of the participants of the Police Pension Fund as well as the status of the Fund itself (i.e. length of service, time until retirement, funding status, pay status, expected pay increases, etc.) when the tax levy amount is prepared each year. This annual tax levy amount is designed to fully meet all future obligations of the pension fund as well as raise its funding level to state recommended guidelines in the time frames mandated. Staff believes it would be better fiscal practice to follow this course especially given the fact how young the Police Pension Fund is and how few retirees there are (three currently with a fourth expected in FY 09/10).

### Contingency for Infrastructure:

This is a new line item that will only be used if needed and when authorized by the Board. If FY 08/09 there has been slightly over \$200,000 worth of unforeseen infrastructure expenditures spent out of the General Fund, mostly due to the harsh winter of 07/08. This dollar figure also includes the additional amounts spent for road salt in FY 08/09. What this Contingency for Infrastructure allows is for there to be a financial mechanism in place to allow for unforeseen infrastructure expenditures to occur without a need to amend the budget every time one pops up. Any unused contingency funds will be reserved in the General Fund for use only for infrastructure purposes.

### 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 \$3.31 per cart per month starting July 1, 2009. Until July 1, 2009, the fee is \$3.15 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 2009/2010 and rates are clearly defined in the narrative of the Garbage Collection Fund section of this budget document.

The increase in revenues of 5% and expenses of 5% is a direct reflection of the minimal growth the Village of Oswego is expected to experience in FY 09/10. The Fund is budgeted to have a net income of \$18,790 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 definitively undertake this year is the continuation 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.

### Revenues

Water rates reflect a decrease of 4%. This is due to a smaller than anticipated home growth in FY 08/09. There is a 3.7% CPI factor reflected on the rates; however, as the Board is aware, there is a water rate study that is currently underway. This study should be completed in April or May. At that time, if the Board so chooses to implement the findings of the study, the Budget will be amended to reflect those changes. Sewer Maintenance fees are down for the same reason as Water fees. Water Tap-on Fees and MXU Fees are both down 74% due to the decline in expected new units coming in FY 09/10. Inspections/Observations fees are down also due to the decrease in new units coming into the Village. Finally, interest is down due to decreasing yield rates on bank rates and investment returns.

### Expenses

Professional Services decreases by 46% in FY 09/10 for two reasons. First, Legal Expenses reduced by \$10,000 to bring this line item to actual experience levels. Second, Miscellaneous Professional Services decreased by over \$90,000 because the NPDES study is concluded so the fund will no longer have to incur this expense.

Contractual Services have remained flat. Some line items have increased while others have decreased leaving this category with an increase of almost \$4,200.

Communication decreased by \$2,000 due to a decrease in Postage and Freight, which brings this item into line with what is anticipated to be spent for the fiscal year. The remaining items in this area have remained flat.

Professional Development did not increase at all but has remained flat. This allows staff to maintain training, certifications and professional associations.

Operating Supplies decreased by 15% for one reason. Water Meter Supplies decreased from \$425,000 to \$325,000. Gasoline increased by \$18,000 to cover any expected and higher than anticipated increases than what was seen in prior years. All other remaining line items have remained flat.

Depreciation of Capital Assets has decreased by 9% due to the fact that there are assets that will be fully depreciated in FY 08/09, thus driving his expense line item down in FY 09/10. Also, the fact that home growth has slowed so much means that the amount of donated infrastructure has also slowed, further decreasing the amount this line item will grow.

Transfers increased by 9%. This transfer goes to the General Fund and it covers two areas: An indirect charge of administration costs which are accounted for 100% in the General Fund and a payment in lieu of property taxes. The administration charge covers the cost of this fund receiving the services of the Corporate department of the General Fund (administration, HR, finance and front counter services). 30% of all of these costs in the Corporate department in the General Fund are allocated to the Water and Sewer Fund via the Transfer. The payment in lieu of property taxes allows for the transfer of funds on the basis that this fund operates as a stand alone business. As such, if it truly stood alone, it would pay property taxes to the Village. This portion of the transfer pays the General Fund what this fund would pay in property taxes if it was a stand alone business. It is important to note that both portions that make up this transfer are allowed by Illinois State Statutes.

Debt Service-Interest Expense increased by 36% due to the debt that is expected to be issued for the new well and tower on the west side of the Village.

## **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.

There are three projects that are included in the FY 09/10 budget in this fund – two of which are existing and two are new. First, the Douglas Road Reconstruction Project, which is expected to be completed in summer 2009. There are two parts to this project: \$2,000,000 for the ongoing project and \$500,000 for street lights. Additional borrowing will be warranted to finish this project.

Second, the Village Hall expenditures are for purchasing and installing the necessary equipment to broadcast Village Board meetings on the local cable TV government channel. This totals \$95,000 and can be afforded from existing Village Hall funds.

Finally, the Orchard Road crosswalks are a new item and will cost \$50,000. The Kendall County Transportation fee that the Village collects on behalf of the County will be used to pay for this project. However, as of the date of this budget document, there was just over \$20,000 held by the Village in the County Transportation fee line item. If the Board so chooses to undertake this project, the Village's Road Impact Fee could be a funding source to pay for the remainder of this project.

### **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 conducted a special full census in the summer of 2008 so the amount it receives for MFT allotments increased 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 \$763,016 in Motor Fuel Tax allotments. This is an 8% increase from the previous year. The Fund anticipates receiving \$3,300 in interest income during Fiscal Year 2009/2010.

The MFT funds will be utilized for two purposes in FY 2009/2010. 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 2009/2010 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 three 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 \$500,000 but has traditionally spent less than what it budgets.

Finally, the MFT Fund will transfer \$287,249 to the debt service fund to cover a large portion of the FY 09/10 debt service payment for the Douglas Road project. This is the second year the fund is doing this and it will continue to do so for the next eighteen fiscal years but the MFT Fund should soon be able to fund the entire amount of the 2007B debt service and alleviate the burden of the General Fund having to make up the difference in the MFT funding shortfall.

#### **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 for its age, with the Net Assets of the Fund anticipated to be \$9,577,718 by the end of Fiscal Year 2009/2010. The funding level for the Fund, as of April 30, 2008, was 58.29%. This was an increase from the prior fiscal year when the funded level was 56.67%. The average funding level for a police pension fund in the State of Illinois is between 65% and 69%. Several factors must be explained to better understand why the Fund has a relatively low funding level compared to the State's average. 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 fifteen 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 fact can be sure, after the massive losses sustained in the market in 2008, the funding level of the Fund is sure to dip as of April 30, 2009.

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, now that the Village has reached home-rule status, the Village will 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 \$1.2 million in FY 2009/2010. This income amount will undoubtedly continue to bring the funding level up when the fund is analyzed at the end of the fiscal year. However, the economy is presenting every indication that it is not ready to recover nor is the stock market indicating it is going to be going in an upward trend soon. However, volatility reacts in both a downward and an upward manner. The majority of the income comes from property taxes and the employee contributions. Actual interest earnings, on a budgetary basis, have decreased by 69%.

#### **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 will be issuing additional debt by the end of FY 08/09 for the new well and tower in the Water and Sewer Fund and for the completion of Douglas Road expansion but at the time this document was written, the exact amounts were not certain.

The Village's total debt amount, as of April 30, 2008, was \$33,269,310. Of this amount, \$18,530,000 applied to the General Fund. The remaining \$14,739,310 was applicable to the Water and Sewer Fund. The Village's legal debt margin at April 30, 2008 was \$53,523,583, giving the Village ample room to issue debt to cover future capital projects.

#### **Capital Reserve Fund:**

The Capital Reserve Fund 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 \$450,000 transfer from the General Fund in FY 09/10 while it transfers \$684,020 to the Debt Service Fund to make the FY 09/10 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. However, given the state of the economy, even though there is additional commercial space opening in the Village in FY 2009/2010 that would usually cause this forecast to increase, this forecast in FY 2009/2010 has remained flat.
- The increase in population reported in the 2008 special census to 29,012. This increase resulted in increased revenue allocated to Motor Fuel, State Income and Use Taxes (per

capita revenues). This will give the Village an expected \$1.2 million additionally each year.

- 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 continues to grow even during a deep recession. 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. However, the downturn in the housing market has made the use of Transition Fees for capital items a difficult method. Alternatives to this approach will be discussed with the Board at 2009's strategic planning.
- The economy of the entire United States turned dramatically downward in 2008. The impact has resonated through every sector leaving no industry immune to its effects. The Village of Oswego, even though on sound financial footing, has felt the impact. Trying to maintain service levels, let alone increase service levels, with either stagnant or dwindling funding sources is difficult. Questions must be answered as to service levels: Can they be maintained without increases to fees and/or taxes or do service levels decrease so as not to increase any financial burdens on the taxpayer?

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 2009/2010 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 2008/2009 will be identified. Fiscal savings identified in the 2008/2009 Budget will not be permitted to “carry over” into the 2009/2010 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 \$2.72 to \$2.82 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).
7. The Village has attained Home Rule status. As such, it has garnered certain powers that allow it to assess certain fees and taxes that it could not do so before. However, it has long been said by staff that makes recommendations to the Board that Home Rule authority would not be used as an “open checkbook” to tax Oswego citizens unless there was an absolute need to do so.

## Expenditure Policies

8. 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.
9. The 2008/2009 Budget will provide for salary merit increases.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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 home-rule community. As such, it has no legal debt limit. However, at April 30, 2008, the Village was not a home-rule unit and it had a legal debt limit of \$72,053,583. The Village had outstanding general obligation debt of \$18,530,000 as of April 30, 2008, thus creating a legal debt margin of \$53,523,583. 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 are two projects that will necessitate additional borrowing in FY 2009/2010 - the new Police facility and the addition to the Public Works facility. It has already been stated that these two projects must have clearly identified funding sources for their debt in order for each to get started in FY 2009/2010. If a consensus is not met by the Board, neither project will start in FY 2009/2010. 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.

### **Goal Establishing Workshops:**

Goal establishing workshops are held at strategic planning. 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.

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

Step two 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.

### **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 with the goal establishing workshops at strategic planning by the Board and staff. 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 to the end 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.



## 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.

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**Village of Oswego  
2009/2010 Budget Development  
Timeline**

April/May, 2008 – The Board establishes their goals after its first strategic planning session.

Week of November 17, 2008 – 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 18, 2008 – Estimated Tax Levy Resolution is adopted at Board Meeting.

December 16, 2008 – Public Hearing is held on the 2008 Tax Levy at Board Meeting.

December 16, 2007 – 2008 Tax Levy is adopted by Board at Board Meeting.

January 5, 2009 – Capital and Staffing Plans are due. First draft of budget is due.

January/February, 2009 – 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 6, 2009 – The first draft of the Budget and capital and staffing plans are given to the Board.

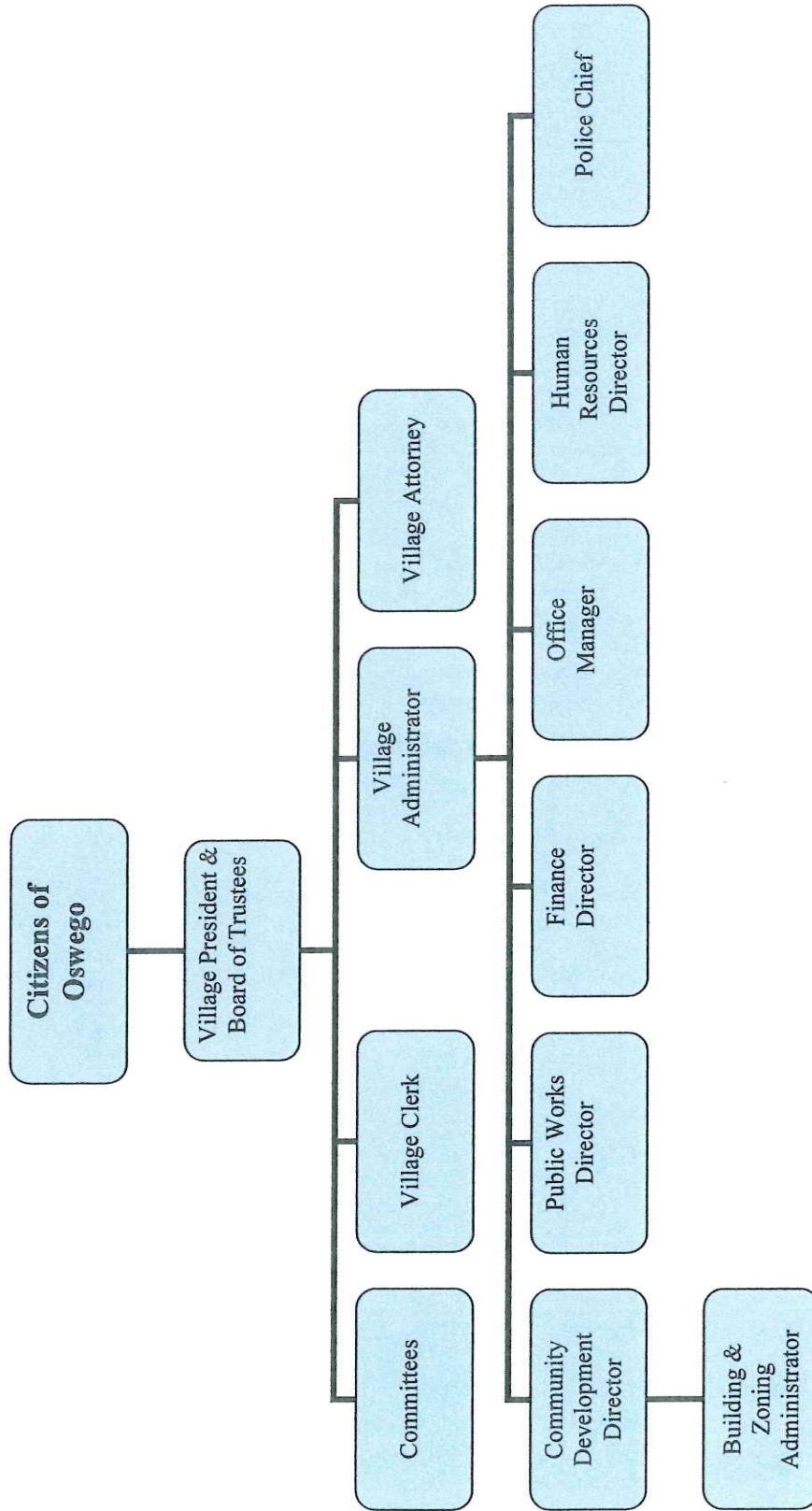
February 17, 2009 – Review of the draft Budget and capital and staffing plans at the C.O.W.

March 3, 2009 – 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 March 17, 2009.

March 17, 2009 – Public hearing is held for the 2009/2010 Budget.

March 17, 2009 - The Board adopts Fiscal Year 2009/2010 Budget at Board Meeting.

# Village of Oswego Organizational Chart



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**Village of Oswego  
Fiscal Year '09/'10 Budget**

**FINANCIAL SUMMARY**

The financial status of the Village of Oswego for the fiscal year ended April 30, 2008, which is the last fiscal year for which an audit has been conducted, shows the General Fund with a healthy Fund Balance of \$5,262,022, up from \$5,087,147 the year prior, an increase of \$174,875. This Fund Balance represented a 5.3 month reserve as of the end of FY 2007/2008, 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 \$11,690,261 after transfers, for the year, up from \$11,220,612. There are many factors that impacted this increase in revenue, including increased sales taxes and income taxes. Revenues are expected to increase each year as the Village adds significant sales tax producing businesses to the Village, but there is no real increase in gross sales taxes predicted for FY 2009/2010, only in net sales taxes due to the reduction in sales tax rebates. The population increases due to growth will push per capita revenues higher (the Village had a special census completed in FY 2008/2009 that increased 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 allows the Village increased diversification in its revenue base structure. Diversifying its revenue base is imperative for the Village for its long-term financial stability.

Operating expenditures for the fiscal year were \$11,515,386, up from \$10,516,391 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. 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 had on the Village.

The total outstanding debt for the Village at April 30, 2008 was \$33,269,310, up from \$25,153,982 the year prior. General obligation debt increased by \$5,500,000 while enterprise fund debt increased by \$2,705,000. Bonds were issued in December, 2007 for the start of the Douglas Road widening project and also for the completion of the Village Hall project. The total of these two issuances was \$9,500,000.

In summary, at the end of Fiscal Year 2007/2008, the Village's audit revealed that the General Fund and all other funds of the Village of Oswego, with the exception of the Water and Sewer Fund, had improved their financial stability from the prior fiscal year and almost all funds are in strong financial shape. Reserves in all funds are more than adequate to cover short-term cash flow deficiencies, however, the Water and Sewer Fund

has now reached a state where its financial concerns must be addressed. 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 2009/2010 Budget has been planned within a very conservative framework, given the nature of the economy. 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 2009/2010 Budget is presented with a General Fund Fund Balance that is anticipated to end the fiscal year with a 4.8 month reserve.

### **FINANCIAL PROJECTION – 2009/2010 BUDGET**

The Village of Oswego faces several financial challenges in Fiscal Year 2009/2010. 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 2009/2010 and may likely continue, at the very least, for the following one to two years. The Village had received significant amounts of revenue from the construction of new homes and businesses that has drastically reduced from just two to three years ago. The Village also receives intergovernmental revenues that are based on consumer confidence as well as employment stability that have not increased as expected due to the recession that the country is experiencing.

Income received from new construction, such as permit fees, transition fees and water tap-on fees are down significantly again in FY 2009/2010. Approximately \$545,224 less will come in from these sources in FY 09/10 than is expected in FY 08/09 and \$1.2 million less will come in from these sources in 08/09 than what came in during FY 07/08. **This is a two year loss in revenues to a level of almost \$1.8 million due to the downturn in home construction.** 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 09/10, as well as FY 08/09, due to these decreases. A continued stoppage on creating new staff positions continued this year (with the exception of one strongly needed part-time position) even though the Village continues to grow in population and demand for services.

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 to mildly reduced sales even during a 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 flat during this current recession, even though additional retail square footage will be opening up in the Village in FY 2009/2010. 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 saw increased inflows in FY 08/09 due to a special census that was completed in summer 2008. The increased population for the Village means it receives more income tax dollars from the State of Illinois. These revenue enhancements have allowed the Village to maintain or, in some circumstances, increase service levels without increasing any taxing burdens on Village residents.

Overall the Village went through significant "belt-tightening" measures during the FY 2009/2010 budget process, the second year in a row. The General Fund departments actually have a smaller budget in FY 2009/2010 than they did in FY 2008/2009 and the departmental budgets are only \$122,331 larger than they were in FY 2007/2008 – that is an increase of 1.02% for two years for all departments in the General Fund. 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 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. Funding options for Village infrastructure that accounts for the impact of growth as well as existing population (residential, commercial, industrial) is a key component to this study.



**3. The Village has attained home-rule authority and this 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 of taxpayers when a town receives home-rule authority: Staff has no intention of treating home-rule authority as a means to arbitrarily recommend raising 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.

Several new revenues are included in the proposed FY 2009/2010 budget. Administrative adjudication will be implemented in FY 2009/2010 allowing the Village to retain significantly more amount of its fine revenues than it has in the past. Conservatively, almost \$300,000 in new revenues will be generated by this process – much needed revenue for the General Fund.

**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.

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 new 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 '09/'10 Budget**

**REVENUE SUMMARY**

**Property Taxes**

Property taxes levied in December, 2008 fund the Fiscal Year 2009/2010 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, 2008 for the Village of Oswego's purposes is as follows:

	<u>2007 Levy</u>	<u>2008 Levy</u>	<u>Increase</u>
Corporate*	\$192,143	\$ 75,357	
IMRF*	172,093	284,335	
Police Pension*	752,699	890,070	
Bonds and Interest	<u>0</u>	<u>0</u>	
	\$1,116,935	\$1,249,762	\$132,827

\* 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 and the highest in Kendall County. 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 and telecommunication taxes provide almost as much revenue as do property taxes. 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:

2008	\$132,827
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

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 0.1302 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:  $\$120,000 \times 0.1302 = \$15,624$ ;  $\$15,624 / \$100 = \$156.24$

Thus, a homeowner with a house valued at \$360,000 would pay \$156.24 in 2009 to the Village of Oswego.

#### Municipal Tax Rate Comparison

<u>Year</u>	<u>Tax Rate</u>	<u>Percent Change</u>
2008	0.1302(estimated)	(2.61%)
2007	0.1337	(4.77%)
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%)

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 now that it has reached home-rule status. If this methodology continues is up to the Board to decide.

## Sales Taxes and Sales Tax Rebate

The Village's sales tax revenues have increased tremendously over the last several years. The opening of Oswego Commons in late 2001 and into early 2002 has boosted this revenue source for the Village making it the primary source of funding in the General Fund. There are five sales tax rebate agreements in place that rebate a portion of sales taxes back to the developer and/or retail stores.

The sales tax incentive agreement already in place for Oswego Commons is in its eighth 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 eighth year, the incentive agreement rebates 25% of sales tax dollars back and the Village recognizes 75%. This allocation remains until the end of the rebate agreement. 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 a maximum of seven years (if that much time is needed) 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 or the seven year mark is reached, whichever comes first.

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.

The last sales tax rebate agreement in place is for the Jewel/Osco grocery store on Orchard Road. The store opened in May, 2008 and the rebate agreement calls for the

Village to rebate 50% of Jewel/Osco's sales taxes back to them for a total of \$850,000. This agreement will remain in effect until the full \$850,000 is rebated to Jewel/Osco.

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 and the 2006A bonds. For FY 2009/2010, the Village anticipates to realize, in total, \$5,497,996 in sales taxes and recognize, net of the rebate, \$4,611,346 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 \$139,678 in Transition Fee revenue in FY 2009/2010. The other component here is the Roadway Improvement Fee which is recognized in the Capital Improvement Fund. \$29,966 is expected to be realized in FY 2009/2010 from this fee. Both fees are subject to fluctuations depending on housing market conditions. Currently, the housing market is down quite dramatically from three years ago and that is why Transition Fees are almost \$1 million lower than what was realized just four 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 \$409,069 in Use Tax revenue in FY 2009/2010. The increase from FY 2008/2009 is due to a higher population basis because of the special census that was 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 \$2,680,709 in FY 2009/2010, an increase from the prior fiscal year due to the special census. This is the second largest source of operating income for the General Fund for the Village of Oswego.

### 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 \$10,059 in FY 2009/2010 in this category.

### Telecommunications Surcharge

Telecommunications Surcharge is a utility tax placed upon all land-based and wireless communications in the Village. It was enacted in the late 1990's to support police department operations. The collection of this tax is administered by the Illinois Department of Revenue which, in turn, then distributes the funds to those municipalities

that charge the tax. The Village charges the maximum amount, 6%, in this area and expects to recognize \$1,110,873 in FY 2009/2010. This revenue stream has leveled off somewhat despite the Village's growth 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 \$1,071,198 in Utility Tax revenues in FY 2009/2010 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 \$442,658 in this revenue stream in FY 2009/2010. This is down by over 50% from FY 2008/2009 due to the deep slowdown in the housing market that the United States has experienced for the last three 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 2009/2010 will be \$536,290, increasing less than 150% from FY 2008/2009 due to the Village implementing an administrative adjudication (in-house court) process that will allow the Village to retain much more of its fine revenues than having to share it with the County.

### 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 2009/2010 to \$7,495,071 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, \$5,058,662 is recognized in the Water and

Sewer Fund, down from \$6,401,901 in FY 08/09, \$2,095,412 in the Garbage Collection Fund and \$340,997 in the General Fund. The Water and Sewer Fund will lose over \$1 million of budgeted funds in water tap-on fees in FY 2009/2010. Water rates will increase from \$2.72 to \$2.82 per 100 cubic feet, and there is a water rate study that is currently under way that may recommend further changes to water rates. The results of this study are due in early FY 09/10.

### 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 \$391,469 in FY 2009/2010, up from \$371,215 budgeted in FY 2008/2009.

### 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 \$12,000 in revenues in FY 2009/2010 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 has taken a very sharp decline over the last two fiscal years. Due to the recession, the Federal Reserve Bank has drastically cut interest rates to try to spur economic activity with little luck. The downside to this is that guaranteed rates paid by banks have also shrunk. Even though the Village will have bond proceeds in the bank for a good portion of FY 2009/2010 at least for the new well and tower, interest income has still fallen to \$472,550 for the year across all funds. This is down from over \$1 million just in FY 2007/2008. One point of concern is the return the Police Pension Fund is expecting for FY 2008/2009. It is expecting a loss of \$1 million in this category pushing interest earning Village-wide into a negative position.

### 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 \$32,000 in rent revenue in FY 2009/2010.

### 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 \$813,016 in grant/intergovernmental revenues to be

recognized in FY 2009/2010 is allocated as follows: \$50,000 to the General Fund and \$763,016 to the MFT Fund. 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 \$763,016 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 five 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 \$460,243 and the payments in lieu of property taxes portion totals \$474,656 for a total amount of \$934,899 in FY 2009/2010. 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 \$450,000. 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 \$684,020. The fourth item is a transfer from the MFT Fund to the Debt Service Fund to pay for the debt for the Douglas Road project. This amount is \$287,249. The final transfer is from the General Fund to the Debt Service Fund and it covers the shortfall for the annual debt service for the Douglas Road debt coming in from the MFT fund. This transfer totals \$154,489. The total Village-wide Transfers to Other Funds revenue stream is \$2,510,657.

### Other

Other revenues include small, miscellaneous revenue sources and cable TV franchise fees. The total revenue to be recognized in this area in FY 2009/2010 totals \$325,130.



**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

All Fund Revenues

	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>CHANGE</u>
General Fund	12,479,624	13,402,288	12,888,721	13,824,554	3.15%
Motor Fuel Tax	647,965	716,817	704,230	766,316	6.91%
Water and Sewer	6,790,869	6,535,419	5,342,739	5,093,412	-22.06%
Capital Improvement	6,378,471	9,545,239	913,000	2,106,966	-77.93%
Garbage Collection	1,737,426	2,001,232	2,001,082	2,095,412	4.71%
Debt Service	656,016	1,575,061	1,469,043	1,483,872	-5.79%
Police Pension	1,453,152	1,675,327	520,617	1,551,539	-7.39%
Capital Reserve Fund	<u>875,560</u>	<u>415,500</u>	<u>414,725</u>	<u>454,500</u>	9.39%
<b>TOTAL REVENUES</b>	<b>31,019,083</b>	<b>35,866,883</b>	<b>24,254,157</b>	<b>27,376,571</b>	<b>-23.67%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**ALL FUND REVENUES BY SOURCE SUMMARY**

<u>REVENUE</u>	<u>FY 07/08 ACTUAL</u>	<u>FY 08/09 BUDGET</u>	<u>FY 08/09 ESTIMATED</u>	<u>FY 09/10 PROPOSED</u>	<u>CHANGE</u>
Property Taxes	1,877,995	2,017,018	2,008,686	2,282,832	13.18%
Sales Taxes	4,624,318	5,626,781	5,585,515	5,497,996	-2.29%
Sales Tax Rebate	(1,102,639)	(1,322,821)	(1,301,607)	(886,650)	-32.97%
Transition Fees	618,560	627,614	360,000	169,644	-72.97%
Use Tax	279,804	327,647	383,662	409,069	24.85%
Income Tax	1,837,415	2,306,681	2,244,014	2,680,709	16.21%
Replacement Tax	11,864	9,482	9,700	10,059	6.09%
Telecommunications Surcharge	1,022,217	981,373	1,060,526	1,110,873	13.20%
Utility Tax	972,764	1,048,975	1,022,649	1,071,198	2.12%
Licenses and Permits	1,272,501	943,170	667,603	442,658	-53.07%
Fines and Forfeitures	246,467	214,600	239,859	536,290	149.90%
Charges for Services	8,776,344	8,764,276	7,653,286	7,495,071	-14.48%
Employee Contributions	394,315	371,215	533,615	391,469	5.46%
Recycling Rebate	5,000	5,000	5,000	12,000	140.00%
Interest	1,037,079	1,002,666	(466,800)	472,550	-52.87%
Rent	23,660	25,740	25,740	32,000	24.32%
Grants/Intergovernmental	702,867	2,786,000	1,597,944	813,016	-70.82%
Transfers From Other Funds	2,045,761	2,402,166	2,293,048	2,510,657	4.52%
Other	372,791	<u>329,300</u>	<u>331,717</u>	<u>325,130</u>	-1.27%
<b>SUB-TOTAL REVENUE</b>	<b>25,019,083</b>	<b>28,466,883</b>	<b>24,254,157</b>	<b>25,376,571</b>	<b>-10.86%</b>
<b>Other Financing Sources</b>	<b>6,000,000</b>	<b>7,400,000</b>	<b>0</b>	<b>2,000,000</b>	<b>-72.97%</b>
<b>TOTAL REVENUE</b>	<b>31,019,083</b>	<b>35,866,883</b>	<b>24,254,157</b>	<b>27,376,571</b>	<b>-23.67%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

All Fund Expenditures

	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>CHANGE</u>
General Fund	12,304,751	13,380,552	12,866,186	13,820,126	3.29%
Motor Fuel Tax	246,215	711,000	562,676	787,249	10.72%
Water and Sewer	7,203,615	7,189,732	6,814,246	7,121,106	-0.95%
Capital Improvement	6,831,068	14,900,000	5,350,000	2,645,000	-82.25%
Garbage Collection	1,675,620	1,982,701	1,982,701	2,076,622	4.74%
Debt Service	1,930,905	1,491,847	1,491,847	1,483,421	-0.56%
Police Pension	238,941	251,131	207,410	285,643	13.74%
Capital Reserve Fund	<u>0</u>	<u>685,182</u>	<u>685,182</u>	<u>684,020</u>	N/A
<b>TOTAL EXPENSES</b>	<b>30,431,115</b>	<b>40,592,145</b>	<b>29,960,248</b>	<b>28,903,187</b>	<b>-28.80%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**ALL FUND EXPENDITURES BY CATEGORY SUMMARY**

<u>EXPENSES</u>	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>Personnel Services</b>					
Salaries Full-Time	6,548,876	7,108,358	6,857,400	7,320,468	3%
Salaries Part-Time	520,773	594,056	530,301	574,537	-3%
Overtime	228,698	275,140	286,340	290,692	6%
Stipends	301,198	337,720	325,920	349,155	3%
<b>Total Personnel Services</b>	<b>7,599,545</b>	<b>8,315,274</b>	<b>7,999,961</b>	<b>8,534,852</b>	<b>3%</b>
<b>Insurance and Benefits</b>	2,331,142	2,447,182	2,268,156	2,483,305	1%
<b>Professional Services</b>	2,637,514	3,226,855	3,106,049	3,101,809	-4%
<b>Contractual Services</b>	2,780,654	2,987,568	2,826,042	2,902,543	-3%
<b>Communication</b>	209,267	249,310	227,634	243,725	-2%
<b>Professional Development</b>	125,163	188,721	161,560	167,265	-11%
<b>Operating Supplies</b>	1,313,130	879,395	737,015	813,965	-7%
<b>Depreciation of Capital Assets</b>	1,575,517	1,703,720	1,703,720	1,556,651	-9%
<b>Capital Outlay</b>	7,526,151	15,767,595	6,103,747	3,542,494	-78%
<b>Contingency for Infrastructure</b>	0	0	0	200,000	0%
<b>Transfers</b>	1,899,896	2,093,147	2,778,168	3,113,478	49%
<b>Debt Service</b>	2,433,136	2,733,378	2,048,196	2,243,100	-18%
<b>TOTAL EXPENSES</b>	<b>30,431,115</b>	<b>40,592,145</b>	<b>29,960,248</b>	<b>28,903,187</b>	<b>-29%</b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

General Fund

<u>REVENUE</u>	<u>FY 07/08 ACTUAL</u>	<u>FY 08/09 BUDGET</u>	<u>FY 08/09 ESTIMATED</u>	<u>FY 09/10 PROPOSED</u>	<u>CHANGE</u>
Property Taxes	1,149,608	1,264,855	1,256,684	1,392,762	10.11%
Sales Taxes	4,362,385	5,182,915	5,141,649	5,142,132	-0.79%
Sales Tax Rebate	(1,102,639)	(1,322,821)	(1,301,607)	(886,650)	-32.97%
Transition Fees	491,418	507,375	300,000	139,678	-72.47%
Use Tax	279,804	327,647	383,662	409,069	24.85%
Income Tax	1,837,415	2,306,681	2,244,014	2,680,709	16.21%
Replacement Tax	11,864	9,482	9,700	10,059	6.09%
Telecommunications Surcharge	1,022,217	981,373	1,060,526	1,110,873	13.20%
Utility Tax	972,764	1,048,975	1,022,649	1,071,198	2.12%
Licenses and Permits	1,271,401	942,170	667,103	441,908	-53.10%
Fines and Forfeitures	246,467	214,600	239,859	536,290	149.90%
Charges for Services	562,692	361,142	387,015	340,997	-5.58%
BFI Rebate	5,000	5,000	5,000	12,000	140.00%
Interest	179,440	170,000	90,600	82,500	-51.47%
Rent	23,660	25,740	25,740	32,000	24.32%
Grants	67,287	176,483	152,239	50,000	-71.67%
Transfers from Other Funds	821,509	872,371	872,371	934,899	7.17%
Other	<u>277,329</u>	<u>328,300</u>	<u>331,517</u>	<u>324,130</u>	-1.27%
<b>TOTAL REVENUE</b>	<b>12,479,624</b>	<b>13,402,288</b>	<b>12,888,721</b>	<b>13,824,554</b>	<b>3.15%</b>

## INTERPRETIVE NOTES ON CHARTS AND GRAPHS

### General Fund Operating Revenue

The pie chart on p. 48 depicts the sources of revenue that support the General Fund budget. Sales Taxes (net of any rebates) are the largest source, at 31%. Sales Taxes are followed by Income Tax at 19%, Property Tax at 10% and Utility Tax and Telecommunications Surcharge, both at 8%.

### General Fund Selected Revenue

The selected revenue chart on p. 49 details the most recent three years activity for six revenue sources, the most recent year being FY 2009/2010. 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. Property Taxes have increased marginally over the three years, growing only as much as the property tax cap will allow it.

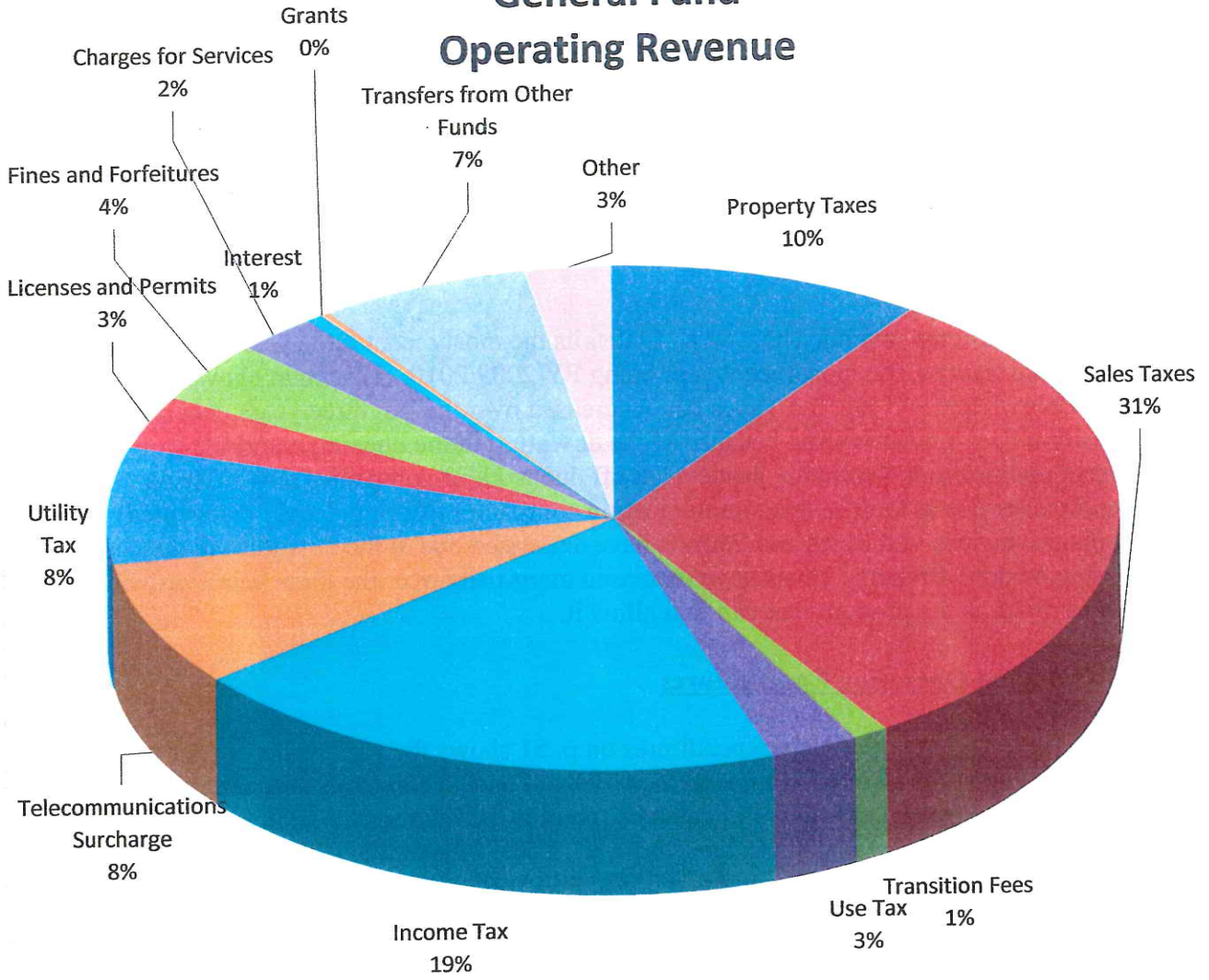
### General Fund Operating Expenditures

General Fund operating expenditures on p. 51 shows the various departments' totals to the total for all expenditures in the General Fund. This graph further explains the information from p. 50. The Police Department is the highest at 57.8% followed by Corporate at 18.9%. Road and Bridge is next at 12.5%, followed by Building and Zoning at 6.9% and Community Development at 3.9%.

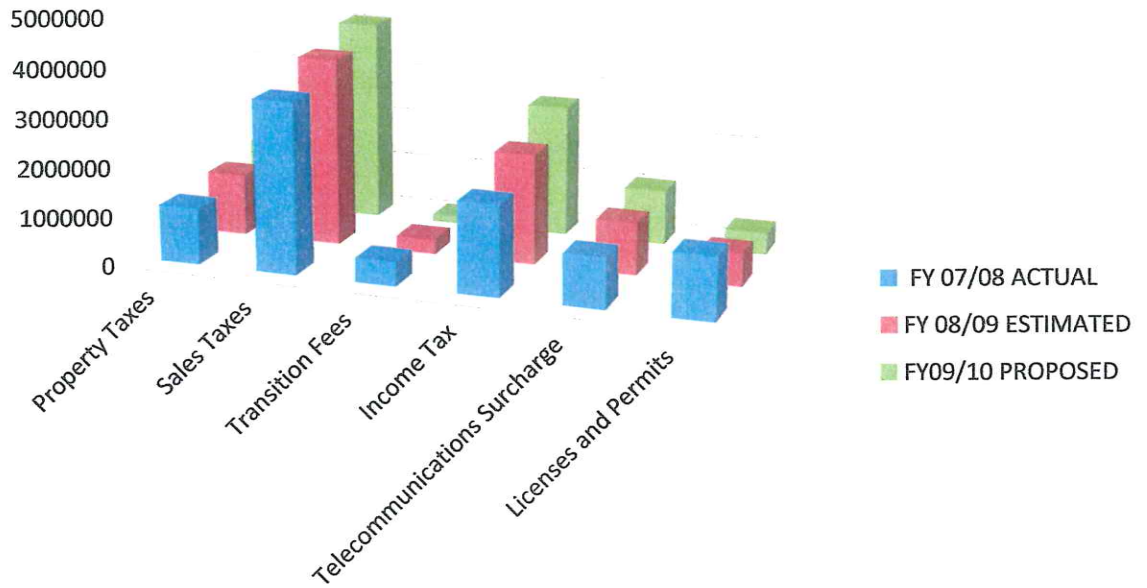
### Department and Fund Expenditure Summary Charts

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 '09/'10 Budget**

**General Fund**

<u>EXPENDITURES</u>	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
General Corporate	2,011,310	2,222,939	2,192,999	2,291,795	3.10%
Building and Zoning	1,000,939	926,891	809,327	840,153	-9.36%
Community Development	464,974	629,584	550,034	467,788	-25.70%
Road and Bridge	1,367,464	1,574,646	1,500,774	1,520,311	-3.45%
Police	<u>6,381,677</u>	<u>6,790,716</u>	<u>6,577,437</u>	<u>7,005,520</u>	3.16%
<b>Sub-Total Expenditures</b>	<b>11,226,364</b>	<b>12,144,776</b>	<b>11,630,571</b>	<b>12,125,567</b>	<b>-0.16%</b>
Transfer to Capital Reserve-Village Hall#	350,000	400,000	400,000	450,000	12.50%
Transfer to Debt Service-Douglas Road@	0	83,613	83,613	154,489	84.77%
Transfer to Police Pension Fund+	<u>728,387</u>	<u>752,163</u>	<u>752,002</u>	<u>890,070</u>	18.33%
<b>Total Operating Expenditures</b>	<b>12,304,751</b>	<b>13,380,552</b>	<b>12,866,186</b>	<b>13,620,126</b>	<b>1.79%</b>
Contingency for Infrastructure*	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>	N/A
<b>TOTAL EXPENDITURES</b>	<b>12,304,751</b>	<b>13,380,552</b>	<b>12,866,186</b>	<b>13,820,126</b>	<b>3.29%</b>

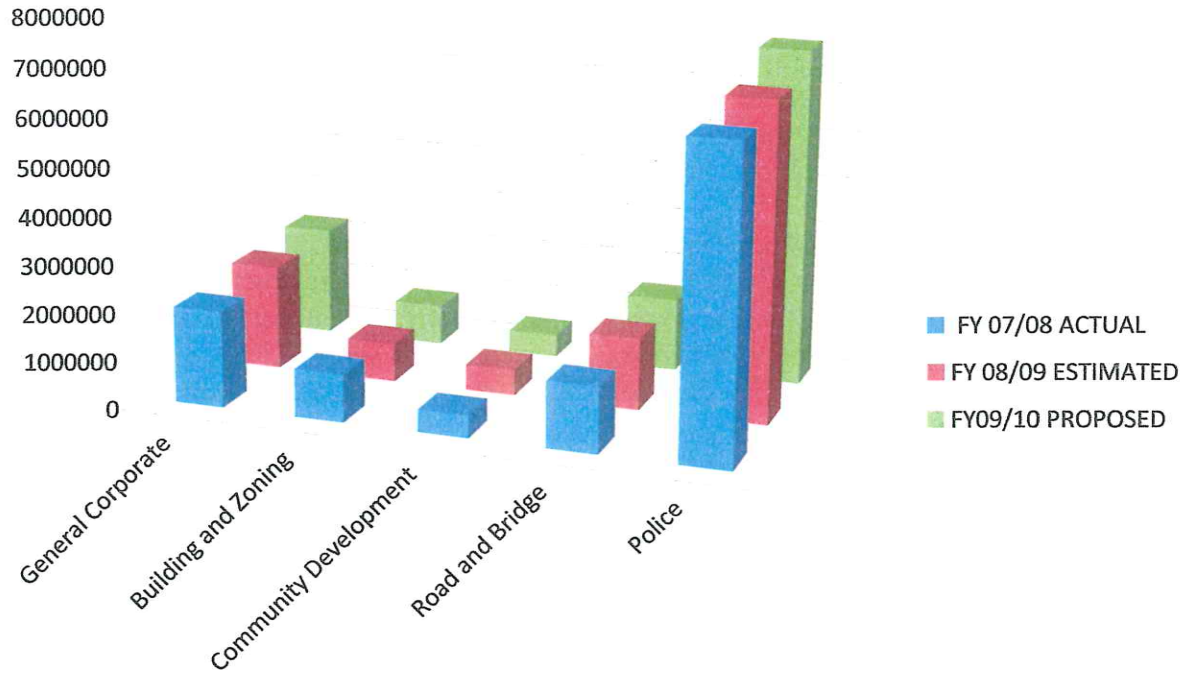
# Note - The Transfer to Capital Reserve Fund-Village Hall pays for the bonds issued for the new Village Hall.

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

+ Note - The Transfer to Police Pension Fund is the full amount of the actuarially determined tax levy. As such, this calculated pension fund tax levy factors into its calculations the funding level of the pension fund, the demographics of all pension fund participants (active and retired) and applies all pertinent laws and regulations to the calculation to determine an annual employer contribution amount (represented as the Transfer to the Police Pension Fund) that will fully fund all future pension obligations.

\* Note - This Contingency for Infrastructure is intended to fund unforeseen and unbudgeted infrastructure expenditures that occur during the fiscal year. Any unused amount of this contingency will be placed in the fund balance of the General Fund but earmarked as "Reserved for Contingent Infrastructure Purposes." Board authorization is required before any funds can be spent from this category.

## 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 2008/2009 with a Fund Balance of \$5,262,022. Of this amount, \$222,328 was reserved for specific purposes meaning that there was \$5,039,694 unreserved that could be applied to any expenditure that the Village sees fit.

In FY 2008/2009, it was anticipated that revenues would total \$12,888,721 and expenditures would total \$12,866,186. This would leave the General Fund with a Fund Balance of \$5,284,557, or a 4.9 month reserve based upon annual expenditures of \$12,866,186. 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 2008/2009, the Village is between the minimum and recommended levels.

In FY 2009/2010, the Board has authorized budgeted revenues at \$13,824,554 and expenditures at \$13,620,126 (before the Contingency for Infrastructure). This leaves a surplus of \$204,428 for the fiscal year and an ending Fund Balance of \$5,488,985. Based on this anticipated ending fund balance at the end of FY 2009/2010, the General Fund will have a reserve of 4.8 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 '09/'10 Budget

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

Beginning Fund Balance (4/30/08):	\$5,262,022
Anticipated Activity for Fiscal Year 08/09	
Revenues	12,888,721
Expenditures	<u>12,866,186</u>
Anticipated Surplus(Deficit)	22,535
<b>Projected Fund Balance as of April 30, 2009:</b>	<b>\$5,284,557</b>

GENERAL FUND - FUND BALANCE ANALYSIS  
as of 4/30/2010

Projected Beginning Fund Balance (5/1/09):	\$5,284,557
Anticipated Activity for Fiscal Year 09/10:	
Revenues	13,824,554
Expenditures*	<u>13,620,126</u>
Anticipated Surplus(Deficit)*	204,428
<b>Projected Fund Balance as of April 30, 2010:</b>	<b>\$5,488,985</b>

\* - This is before the Contingency for Infrastructure.

**Village of Oswego  
Fiscal Year '09/'10 Budget**

**Fund Summary**

	<b>FY 07/08</b>	<b>FY 08/09</b>	<b>FY 09/10</b>
	<b><u>Actual</u></b>	<b><u>Estimated</u></b>	<b><u>Proposed</u></b>
<b><u>Motor Fuel Tax Fund</u></b>			
<b>Beginning Fund Balance</b>	149,597	551,347	692,901
Revenues	647,965	704,230	766,316
Expenditures	<u>246,215</u>	<u>562,676</u>	<u>787,249</u>
<b>Net Activity</b>	401,750	141,554	(20,933)
<b>Ending Fund Balance</b>	551,347	692,901	671,968
<b><u>Water and Sewer Fund</u></b>			
<b>Beginning Retained Earnings</b>	43,261,246	44,278,124	42,806,617
Revenues and Other Financing Sources	8,265,858	5,342,739	5,093,412
Expenses, Debt and Capital Outlay	<u>7,248,980</u>	<u>6,814,246</u>	<u>7,121,106</u>
<b>Net Activity</b>	1,016,878	(1,471,507)	(2,027,694)
<b>Ending Retained Earnings</b>	44,278,124	42,806,617	40,778,923
<b><u>Capital Improvement Fund</u></b>			
<b>Beginning Fund Balance</b>	6,849,781	6,349,186	1,912,186
Revenues	6,330,472	913,000	2,106,966
Expenditures	<u>6,831,068</u>	<u>5,350,000</u>	<u>2,645,000</u>
<b>Net Activity</b>	(500,595)	(4,437,000)	(538,034)
<b>Ending Fund Balance</b>	6,349,186	1,912,186	1,374,152
<b><u>Garbage Collection Fund</u></b>			
<b>Beginning Retained Earnings</b>	244,107	305,913	324,294
Revenues	1,737,426	2,001,082	2,095,412
Expenses	<u>1,675,620</u>	<u>1,982,701</u>	<u>2,076,622</u>
<b>Net Activity</b>	61,806	18,381	18,790
<b>Ending Retained Earnings</b>	305,913	324,294	343,084
<b><u>Debt Service Fund</u></b>			
<b>Beginning Fund Balance</b>	1,303,846	28,958	6,154
Revenues	656,016	1,469,043	1,483,872
Expenses	<u>1,930,905</u>	<u>1,491,847</u>	<u>1,483,421</u>
<b>Net Activity</b>	(1,274,888)	(22,804)	451
<b>Ending Fund Balance</b>	28,958	6,154	6,605
<b><u>Capital Reserve Fund</u></b>			
<b>Beginning Fund Balance</b>	0	875,560	605,103
Revenues	875,560	414,725	454,500
Expenditures	<u>0</u>	<u>685,182</u>	<u>684,020</u>
<b>Net Activity</b>	875,560	(270,457)	(229,520)
<b>Ending Fund Balance</b>	875,560	605,103	375,583
<b><u>Police Pension Fund</u></b>			
<b>Beginning Net Assets</b>	6,784,405	7,998,615	8,311,822
Additions	1,453,152	520,617	1,551,539
Deductions	<u>238,941</u>	<u>207,410</u>	<u>285,643</u>
<b>Net Activity</b>	1,214,210	313,207	1,265,896
<b>Ending Net Assets</b>	7,998,615	8,311,822	9,577,718

**Village of Oswego  
Fiscal Year '09/'10 Budget**

**CAPITAL EXPENDITURES BY FUND AND DEPARTMENT**

**General Fund Departments**

**General Corporate**

Computer Replacements	18,000	
Printer Replacements	<u>6,000</u>	24,000

**Police**

Computer Hardware/Software Replacement	<u>37,245</u>	37,245
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<b>Total General Fund</b>		<b><u>61,245</u></b>
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**Enterprise Funds**

**Water and Sewer**

Single Axle Dump Truck	125,000	
Pick-up Truck 4x4 w/Plow and Spreader	40,000	
One Ton Dump Truck w/Plow	75,000	
New Well and Tower-West Side of Village	6,500,000	
Manhole Relining Program	<u>10,000</u>	6,750,000
<b>Total Enterprise Funds</b>		<b><u>6,750,000</u></b>

**Capital Projects Fund**

**Capital Improvement Fund**

Douglas Road Construction	2,500,000	
Orchard Road Crosswalks	50,000	
Village Hall Televising Equipment	<u>95,000</u>	2,645,000
<b>Total Capital Projects Fund</b>		<b><u>2,645,000</u></b>

**Motor Fuel Tax Fund**

Roadway Program	<u>500,000</u>	
<b>Total Motor Fuel Tax Fund</b>		<b><u>500,000</u></b>

<b>TOTAL VILLAGE CAPITAL EXPENDITURES</b>		<b>\$9,956,245</b>
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**Village of Oswego  
Fiscal Year '09/'10 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 at what seems a constant basis, whether it be large-scale well and tower projects, medium-sized water main projects or replacing old water meters for new water meters. The Village has added five new wells over the last fifteen years and four water towers in the last fifteen 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. The Douglas Road Expansion project will be completed in FY 2009/2010 for a total cost of almost \$10 million that replaced a road that for the most part was a 2 lane rural road with a 5 lane road and added curb and gutter, new storm sewer lines and replaced water and sanitary sewer lines.

All the while these capital purchases are made, the Village has to afford its new staffing requests, as well. Over the last five fiscal years, the Villages staff size has increase from 112 total employees to 134. This is an increase of 22 employees or 4.4 per year, on average. However, there have been no staffing increases in FY's 2008/2009 and 2009/2010 except for one part-time position in the Water and Sewer Fund but that is being afforded from existing part-time dollars. 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 09/10. Total staffing remains at 134, including seasonal positions.

All the while the Village is making the purchases of capital items and adding new staff when it can afford to do so, 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 during the 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 '09/'10 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

#### 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 '09/'10 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.

<u>Position</u>	<u>Fiscal Year 07/08</u>	<u>Fiscal Year 08/09</u>	<u>Fiscal Year 09/10</u>
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	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Finance Asst./A.P.	0.0	1.0	1.0
Administrative Assistant	2.0	1.0	1.0
Receptionist	1.0	2.0	2.0
Facilities Technician	1.0	0.0	0.0
Administrative Asst. (Comm. Relations)	0.5	0.5	0.5
<b>TOTALS</b>	<b>15.5</b>	<b>15.5</b>	<b>15.5</b>

**Administration**

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

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

The Village Administrator supervises all departments of the Village, except 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.

#### **Fiscal Year 2008/2009 Administrative Objectives: Status**

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.

The entire staff has worked continuously on the various strategies and objectives during the 2008/2009 fiscal year. Many of these strategies have been accomplished, while some have been delayed due to the fiscal restraints caused by the recession, and finally others are on going.

The Board and staff will conduct a second goal setting and strategic planning session in April or May of 2010. When this planning process is completed, staff will meet to define new strategies, objectives, responsibilities and time frames necessary to address the new plan. Staff will continue to work on those goals that are yet to be accomplished in the plan as currently adopted.

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.

**Fiscal Year 2009/2010 Administrative Objectives**

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

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**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, monitoring the outsourced payroll processing functions, providing assistance to all Village departments, 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 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 Finance Assistant/Accounts Payable Clerk who processes all of the Village's payments by check.

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, with the exception of the Police department. 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.

**Fiscal Year 2008/2009 Finance Department Objectives: Status**

1. Finalize the borrowing needs for the Village for the Douglas Road project.  
*This will be completed before the end of FY 08/09.*
2. Evaluate funding options for Wolf Road, the Public Works facility expansion and the construction of a new Police facility.

*Discussions on the new Police facility have started and will be ongoing. The Public Works facility expansion and the Wolf Road expansion will carry over into FY 09/10.*



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

*This was slowed by turnover in the Staff Accountant position. However, staff believes this is virtually completed.*

4. Complete the revamping of the accounts payable system along with creation of new forms.

*This was been started and will continue in FY 09/10.*

5. Invest in departmental training on recent GASB pronouncements.

*This is an ongoing objective.*

6. Survey surrounding and like-sized communities to benchmark the Village's fees to those of similarly sized and structured municipalities.

*This is an ongoing objective*

7. Determine if there are revenue enhancement possibilities by developing new fees (i.e. tear downs) for the Village.

*This objective is being combined with objective number 8.*

8. Begin studying the impact of becoming a Home Rule authority Village.

*This objective has started and will be an ongoing objective.*

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.

*This objective has started but there are difficulties due to not being able to devote adequate staffing to the process. Piece-meal staffing for this objective, since all staff has a full plate with current work loads, has made implementing this objective more challenging.*

10. Assist in economic development decisions for the downtown as well as the entire Village.

*This is an ongoing objective.*

11. Assist the Office Manager with the completion of the special full census.

*This was completed.*

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.

*This was accomplished.*

#### **Fiscal Year 2009/2010 Finance Department Objectives**

1. Complete the revamping of the accounts payable system along with creation of new forms.
2. Invest in departmental training on recent GASB pronouncements.
3. Survey surrounding and like-sized communities to benchmark the Village's fees to those of similarly sized and structured municipalities.
4. Continue to study/analyze the funding and revenue possibilities Home Rule status gives the Village.
5. Continue to develop an inventory control program for office supplies in the Village Hall.
6. Assist in economic development decisions for the downtown as well as the entire Village.
7. Continue the conservative budget approach that was employed in the FY 09/10 budget process due to the recession in the economy, if it is warranted, for the FY 10/11 budget process.
8. Develop suggestions and recommendations for funding options for the Board to aid in the implementation of their strategic planning goals.
9. Work with the IT Committee to determine if the Village's IT hardware should be updated to more "cutting edge" technology or continue on its current path.
10. Work to develop funding options for the Police facility and the expansion of the Public Works facility.
11. Closely monitor all Village financial operations given the nature of the economy. Propose adjustments to operations, if warranted.
12. Work with Village cash investments to determine if better yields than standard or premium money market rates can be earned.

<u>Performance Measures</u>	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009 (est.)</u>
Payroll checks processed:	3,807	3,995	n/a
Accounts Payable checks processed:	3,015	3,203	3,730

### 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 2008/2009 Village Clerk's Office Objectives

1. Implement a document management system.

*Laser Fiche has been installed and everything is in place for the departments to begin (or continue) to scan documents. This will be an on-going objective; we will begin with the most current documents and work our way backwards as time permits. The Clerk's Office now has minutes scanned back to 1979; meeting packets beginning October of 2008; and in 2009 we began scanning all approved and executed ordinances and resolutions.*

2. Establish a system for records management throughout the Village departments.

*In conjunction with the move all departments purged unnecessary records. While doing this they also put in place a system of their choosing (which conforms to the*

*Local Records Act) to manage their records. We are in the process of establishing a list of documents for approval to destroy; the Clerk's Office will submit the request and assist when needed.*

3. Continue to professionalize the Village Clerk's office.

*This is an ongoing objective; we now have a full-time administrative assistant and will train her in all aspects of the office. She also provides back-up to the front counter and phones when needed, as does the rest of the Clerk's staff. Through the training we have re-evaluated processes and have made improvements to our record keeping and license tracking. Most improvements are in the area of Business Registration; Special Event Permits; and Letters of Credit.*

4. Work with the Legislative, Policy and Human Resource Committee to review Village ordinances.

*When asked I have attended committee meetings and provided information. We will continue to assist this committee as we begin implementation of the adjudication process.*

5. Address the staffing needs of the Clerk's office.

*We have been researching the administrative adjudication process; there will be a part-time person assigned to this process that will be sending notices and preparing the court docket. This person will most likely report to the Village Clerk; all details have not yet been worked out. Even though the economy and building is down we have not seen much slow-down in our work. We continue to have new liquor licenses in addition to ownership changes; the number of Special Event permits continues to increase; and the job of maintaining the Letters of Credit and Bonds continues to change and become more important. At this time I do not see the need for additional personnel but future needs could include one (1) for daily office duties and another for the adjudication process.*

6. Continue to cross-train the Clerk's office staff.

*We continue to cross train staff so that the office runs efficiently even during absences.*

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

*Whenever possible we have assisted the Board in the achievement of their goals.*

#### **Fiscal Year 2009/2010 Village Clerk Objectives**

1. Full Implementation of the Document Management System

2. Review of records with Local Records Commission and review the system for Records Management throughout the Village departments
3. Continue to cross train staff so that office runs smoothly even when there are absences in the department.
4. Administrative Adjudication -- Work with Department Heads, Attorney, Board, and the Legislative, Policy and Human Resource Committee to review Village Ordinances and assist with implementation of the adjudication process.
5. Training of staff and professionalize operation of the Clerk's Office
6. Assist the Board in the achievement of their goals

Board Goals from Strategic Planning Session (FY 09/10)

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

The Clerk's Office will help by continuing to improve staff training; participate in customer evaluation surveys; communicate promptly with staff and/or board and make sure that we gather all pertinent facts and information. We will work together towards common goals and participate in teambuilding retreats; will continue to evaluate our performance and respond to quality of performance and cost and/or time-saving ideas. The core values will be considered as part of the annual employee evaluation process.

2. Recruit, hire, develop and retain the best people possible.

While this will fall mostly on the HR Department we will assist with the development of a training schedule and in any other way that we can.

3. Establish and implement a long range plan for the Village that is fluid and revisited every two years.

Assist with the review and implementation of various plans such as the comprehensive and downtown plans; and the development of an environmental plan and Orchard Road corridor plan for the Village. We will also continue to maintain a historical library of past plans approved by the Board enabling us to review what has been done; what has worked and what has not.

4. Continue to provide the resources necessary to meet current needs and fulfill the long-range plan through conventional and alternative resources.

Keep the Clerk's Office staffing and capital plans up to date; consider different options for routine tasks that will save time, money and man power; and stay within each FY's budget barring any unforeseen circumstances.

5. Provide opportunities for Board and Staff teambuilding and other interactions.

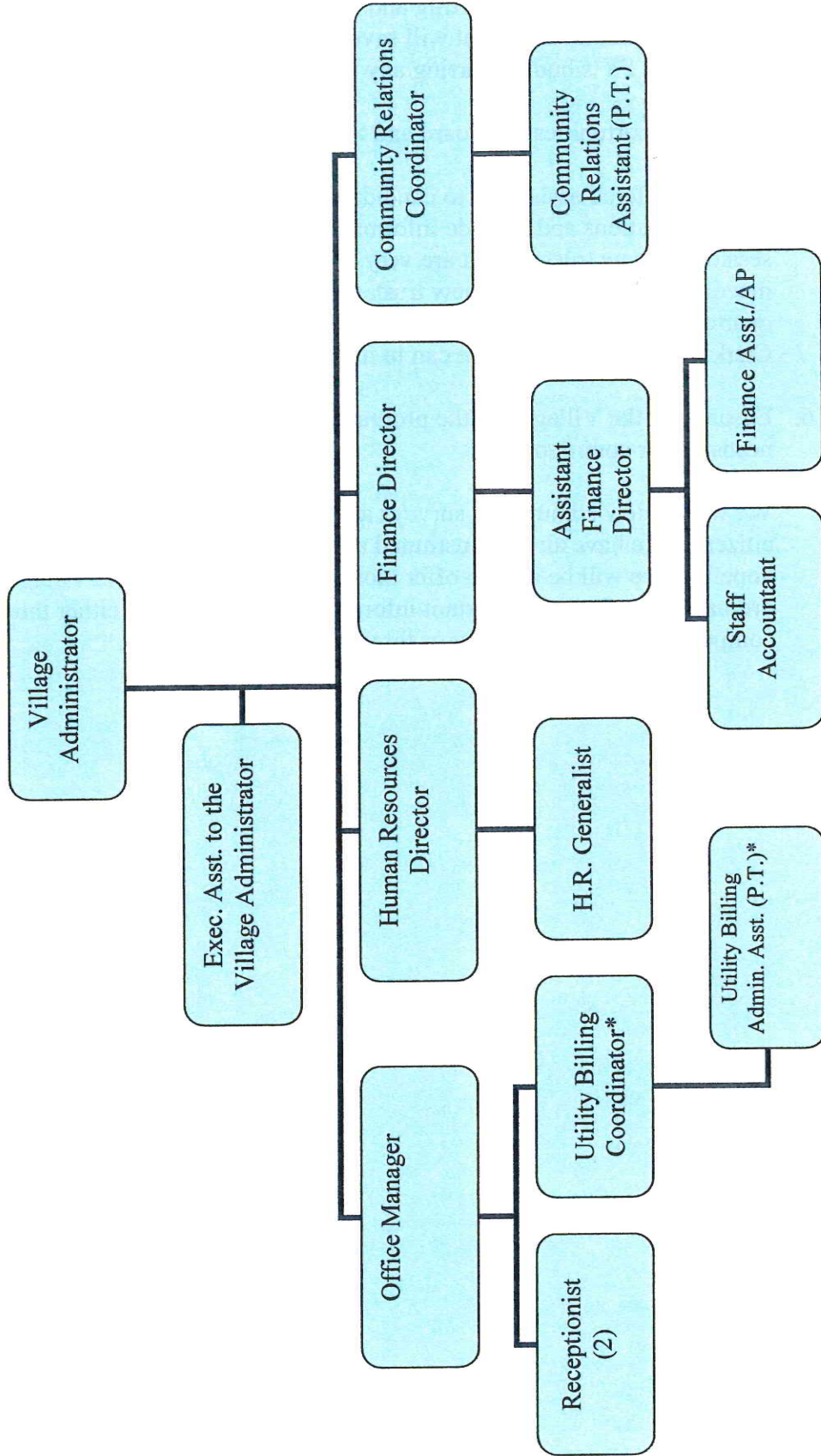
We have offered assistance to candidates and set up a brief meeting with them to answer questions and provide information about the Village. IML currently offers sessions to new trustees that are very helpful; if the Board desires we can set up a meeting with staff and the new trustees here at the Village. There was mention of quarterly meetings between staff and the Board; when these are established the Clerk's Office will do all we can to make them successful.

6. Ensure that the Village has the programs, facilities and services that meet the needs of our community.

We will review community surveys and address concerns and needs of the citizens. We have already instituted an electronic document management system; hopefully we will be able to offer more information about the Village, its code of ordinances, and other important information to the citizens either through a public computer station in the lobby or through our web site.

# CORPORATE ORGANIZATIONAL CHART

\* - The Utility Billing Coordinator and part-time Utility Billing Admin. Asst. are paid for and shown in the Public Works position summary.



**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

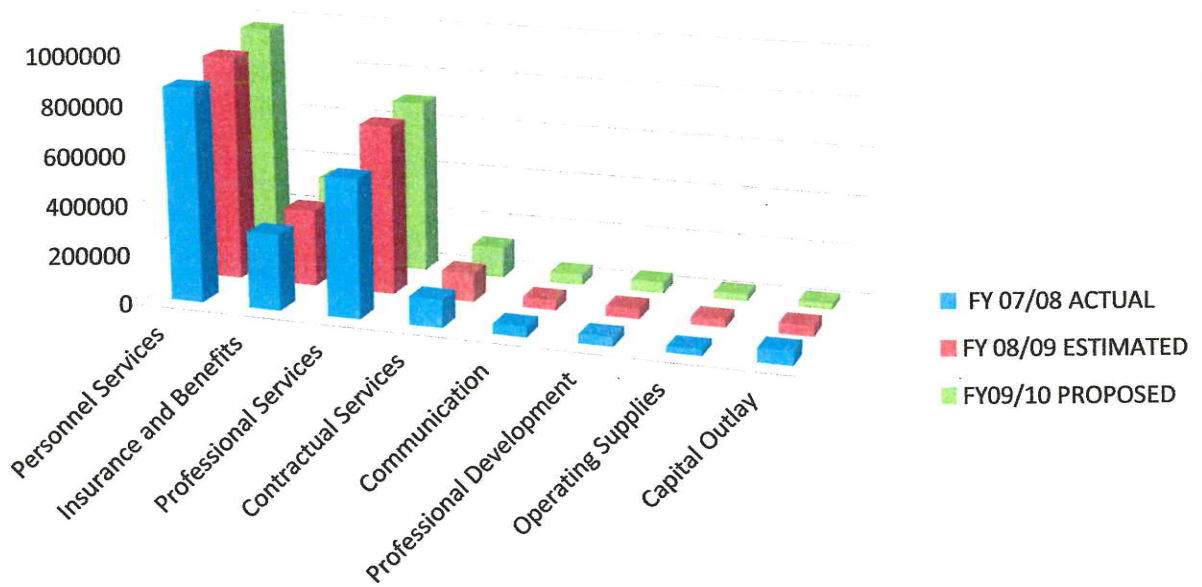
**General Fund**

**GENERAL CORPORATE SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 07/08</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 08/09</u></b> <b><u>BUDGET</u></b>	<b><u>FY 08/09</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 09/10</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	832,303	902,161	882,398	936,320	4%
Salaries Part-Time	13,998	15,405	12,175	9,728	-37%
Overtime	405	1,000	1,400	1,000	0%
Stipends	<u>20,083</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	0%
<b>Total Personnel Services</b>	<b>866,789</b>	<b>940,566</b>	<b>917,973</b>	<b>969,048</b>	<b>3%</b>
<b>Insurance and Benefits</b>	308,797	332,913	313,673	353,697	6%
<b>Professional Services</b>	560,355	681,950	685,329	703,627	3%
<b>Contractual Services</b>	113,845	116,354	116,865	125,098	8%
<b>Communication</b>	42,321	47,000	42,224	45,500	-3%
<b>Professional Development</b>	37,476	51,906	41,800	43,575	-16%
<b>Operating Supplies</b>	25,179	28,250	32,190	27,250	-4%
<b>Capital Outlay</b>	<u>56,549</u>	<u>24,000</u>	<u>42,945</u>	<u>24,000</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>2,011,310</b>	<b>2,222,939</b>	<b>2,192,999</b>	<b>2,291,795</b>	<b>3%</b>



# Village of Oswego Corporate Department Operating Expenditures



**Village of Oswego  
Fiscal Year '09/'10 Budget**

**General Fund**

**CORPORATE**

**01-01**

**Personnel Services**

50-6210	Salaries, Full-Time	908,720
50-6222	Salaries, Part-Time	9,728
50-6230	Overtime	1,000
50-6245	Salaries, Elected Officials	27,600
50-6250	Meeting Stipend	<u>22,000</u>
<b>Total Personnel Services</b>		<b>969,048</b>

**Insurance and Benefits**

51-6310	FICA, Village Share	72,090
51-6315	IMRF, Village Share	101,029
51-6330	Health Insurance	168,508
51-6335	Dental Insurance	<u>12,070</u>
<b>Total Insurance and Benefits</b>		<b>353,697</b>

**Professional Services**

52-6405	Auditing Expense	28,927
52-6470	Economic Development Oswego Economic Development Corporation	90,000
52-6480	Engineering Service	30,000
52-6520	Legal Service Village Corporation Counsel	300,000
52-6522	IT Services Contractual IT Administration	52,000
52-6523	Payroll Services	14,000

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	
	Alarm Services - Village Hall	3,600	
	Miscellaneous Professional Services	<u>5,000</u>	
	Total Miscellaneous Professional Service		16,800
52-6537	Web Site		4,000
52-6760	Human Resources Professional Services		
	Employee Appreciation	2,000	
	Flex Spending	1,200	
	Length of Service Awards	<u>1,100</u>	
	Total Human Resources Professional Services		4,300
52-6790	Community Relations Professional Services		
	Fireworks	15,000	
	Wine on the Fox	3,000	
	Dragstrip Days	7,000	
	House Walk	500	
	PrairieFest	500	
	Youth Committee	1,000	
	Art Fair	9,100	
	Job Fair	1,000	
	Village Pride	500	
	Christmas Walk	10,000	
	Community Relations	1,000	
	-ground breakings, condolences, citizen awareness		
	Cultural Arts Commission	2,000	
	Movies in the Park	<u>2,000</u>	
	Total Community Relations		52,600
52-6791	Senior Committee		
	Committee Operations	2,000	
	Village Support for Meal Program	<u>10,000</u>	
			12,000
52-6794	Citizen Committee for Women		2,000
52-6840	PACE Services(net of fare revenues)		<u>97,000</u>
	<b>Total Professional Services</b>		<b>703,627</b>

**Contractual Services**

53-6325	Unemployment Insurance		22,000
53-6420	Cleaning Service		18,500
	Cleaning Services for the New Village Hall		
53-6500	General Insurance		31,948
	I.M.L. Insurance, Life Insurance, Bonds		
53-6605	Property Tax Rebate		1,250
	Westphal Chevrolet		
53-6807	Newsletter Delivery		23,000
	4 Newsletters		
53-7310	Maintenance, Building		4,500
	Various Maintenance and Upkeep on Village Hall		
53-7315	Maintenance, Equipment		
	Maint. Contract on Village Computer Software	10,500	
	Maint. Contract on Village Hall Telephone Sys.	4,200	
	Maint. Contracts on LaserFiche	1,400	
	T-1 Line Maintenance	4,200	
	Maint. Contracts on Office Equipment	<u>3,600</u>	
	Total Maintenance, Equipment		<u>23,900</u>
	<b>Total Contractual Services</b>		<b>125,098</b>

**Communication**

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

54-6765	Postage and Freight		9,500
54-6785	Telephone Expense		<u>23,000</u>
	Village Hall Telephone Service; Nextel Service		
	<b>Total Communication</b>		<b>45,500</b>

**Professional Development**

55-6566	Travel and Training		
	Village Administrator - ICMA, Metro Managers	5,000	
	Finance Director - State and National Conferences	800	
	Village Clerk - Regional Clerk's Institute	2,500	
	Human Resources	1,500	
	ICSC Conference	3,220	
	Mileage Reimbursements	2,500	
	IML Conference	2,000	
	HR Village-wide Training	3,500	
	Various Training Seminars	<u>3,000</u>	
	<b>Total Travel and Training</b>		<b>24,020</b>
55-6567	Meeting Expense		
	Supplies for Board and Committee Meetings	500	
	Food for Board and Committee Meetings	<u>2,500</u>	
			<b>3,000</b>
55-6730	Dues		
	International City Managers Association(ICMA)	600	
	Illinois City Managers Association (ILCMA)	1,100	
	Conservation Foundation	100	
	HR Dues	910	
	Government Finance Officers Association	500	
	Illinois Government Finance Officers Association	350	
	Illinois Municipal Treasurers Association	140	
	Metro West Council of Governments	10,155	
	Illinois Municipal League	1,900	
	Municipal Clerks of Illinois	300	
	Oswego Chamber of Commerce	<u>500</u>	
	<b>Total Dues</b>		<b><u>16,555</u></b>
	<b>Total Professional Development</b>		<b>43,575</b>

**Operating Supplies**

56-6720	Books and Publications		1,000
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56-6735	Gasoline		750
56-6740	Office Supplies		
	Minute Books	900	
	Fax, Copier and Computer Paper	6,200	
	Printer Cartridges and Copier Toner	1,700	
	Village Clerk Filing Supplies	2,000	
	Filing Supplies	2,000	
	Budget Production Materials	1,000	
	Various Office Supplies	<u>4,200</u>	
	Total Office Supplies		18,000
56-6750	Computer Supplies		<u>7,500</u>
	Consumable Tech Supplies		
	<b>Total Operating Supplies</b>		<b>27,250</b>
<b><u>Capital Outlay</u></b>			
57-7822	Computer Hardware		
	Computer Replacements, Laptops & Printers	<u>24,000</u>	
	Total Computer Hardware		<u>24,000</u>
	<b>Total Capital Outlay</b>		<b>24,000</b>
<b>TOTAL CORPORATE</b>			<b>2,291,795</b>

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**Village of Oswego  
Fiscal Year '09/'10 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 #1 customers and the reason for our existence.

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

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

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

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

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

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



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

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

The Administrative function of the Department is responsible for the development of processes and procedures to ensure the effective and convenient flow of work traffic pertaining to the Department’s function. The front office staff does building permit entry and billing, 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.

<u>Position</u>	<u>Fiscal Year 07/08</u>	<u>Fiscal Year 08/09</u>	<u>Fiscal Year 09/10</u>
Building and Zoning Department Manager	1.0	1.0	1.0
Chief Building Inspector	1.0	1.0	1.0
Senior Building Inspector	1.0	0.0	0.0
Inspector	2.0	3.0	3.0
Plumbing Inspector	1.0	1.0	1.0
Building and Zoning Assistant(s)	3.0	2.0	1.0
Project Coordinator	0.0	0.0	1.0
Code Enforcement Officer	2.0	2.0	2.0
Permit Coordinator	0.0	1.0	1.0
Administrative Assistant (s)	1.0	1.0	1.0
<b>TOTALS</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

Fiscal Year 2008/2009 Building and Zoning Department Objectives: Status

1. Continue Education through seminars and ICC certification.

Ron Fox:

Legal Aspects of Code Administration  
Advanced Legal Aspects of Code Enforcement  
BFCA-Residential Pools

Rick Morphey:

2004 Illinois Plumbing Code  
Simpson – Wall bracing workshop

Matt Burlingame:

BFCA-Residential Pools  
Simpson – Wall bracing workshop

Mike Fisher:

BFCA - Residential Pools  
Improving residential inspection skills  
Simpson – Wall bracing workshop

Hector Justiz:

Mike Vacko:

Understanding Basic Code Enforcement  
Understanding the 2006 International Property Maintenance Code

Stacy Dexter:

Building Department Basics

Amy Bates:

Building Department Basics

2. Continue to improve customer service through education and policy change.

*Customer service in general has improved immensely in the past year. Turnaround time on plan review is approximately one to three days on residential approximately one week on commercial. Permit issuance is completed same day in most cases, and has been developed as an electronic process to eliminate errors and make certain all fees collected are accurate.*

3. Complete, revise and update departmental policies and procedure guidelines.

*Ongoing. The past year has allowed Building and Zoning to make large strides in the procedures and processes of the entire department. Every attempt is being made to convert all manual calculations, tracking and processing to electronic procedures. As mentioned previously, this assures the Village of proper collection of fees and accurate information of all involved in any building project in the Village.*

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

*Respecting the budget challenges of '08/09, the only organization the department is currently a member of is ICC (International Code Council). This is a key organization for the department, providing up to date code information, tools for the inspectors to utilize and generous discounts on materials and supplies required for our operation.*

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

*To be completely implemented by July '09.*

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

*Not completed.*

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

*All forms have been updated; ongoing, as needed.*

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

*Ongoing.*

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

*Completed and ongoing.*

#### **Fiscal Year 2009/2010 Building and Zoning Department Objectives**

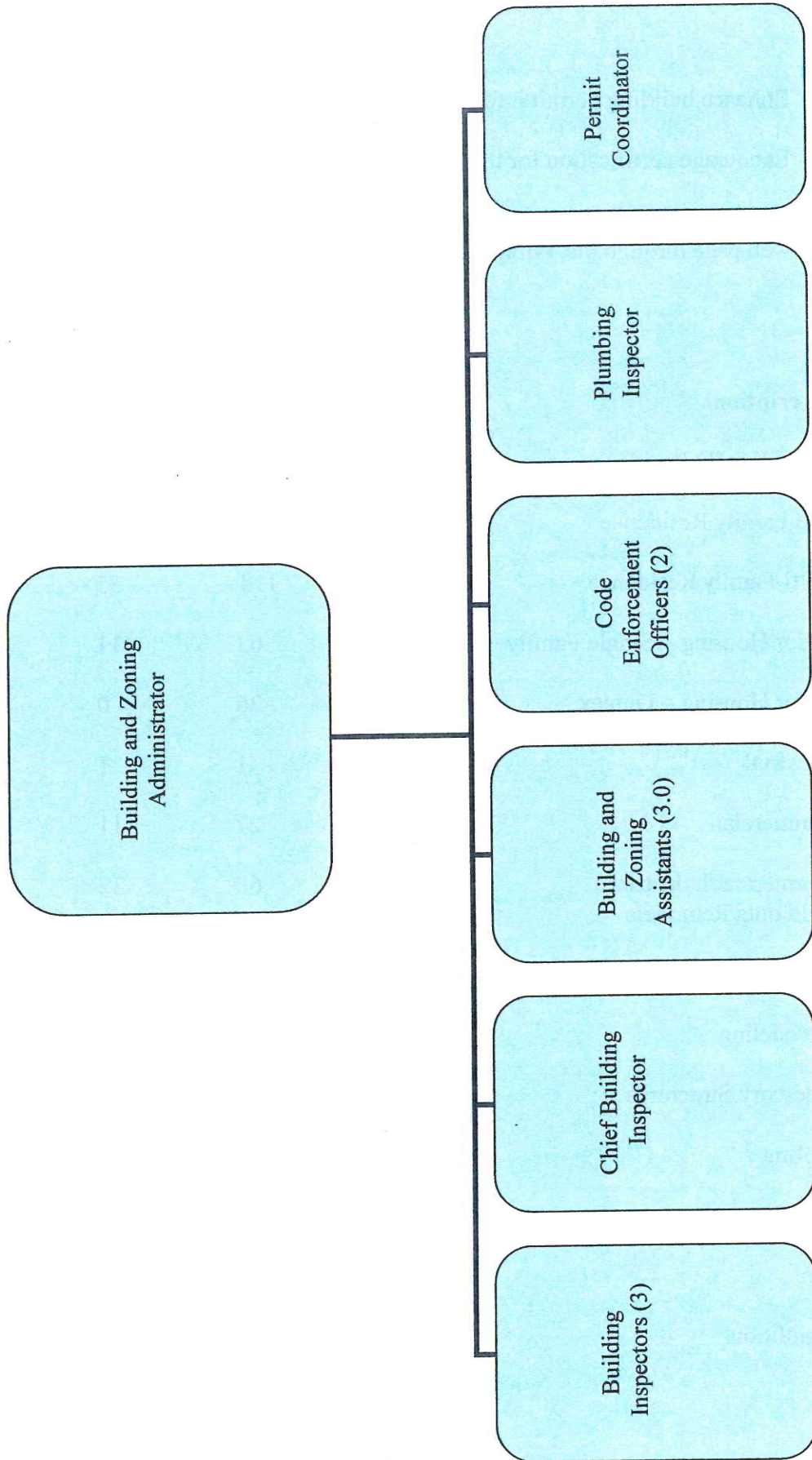
1. Continue education through seminars and ICC certification testing.
2. Continue to improve customer service through education and policy changes.
4. Encourage Building and Zoning office assistants to join building trade associations to stay abreast of current and future permitting trends.
5. Participate in International Code Council (ICC) Safety Awareness Week.
6. Research offering residents and contractors training classes for permit related projects. This project is proposed for the spring during Safety Awareness Week.
7. Establish a quarterly job share experience program for Permit Coordinators and Field Inspectors.

8. Enhance building permit information on the website as necessary.
9. Encourage certification for the administrative office to enhance ISO ratings.
10. Enhance the Code Enforcement web page that is linked by the Building Department web page through the Village of Oswego.

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

<b>Description</b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009(est)</u></b>
Single Family Residence	372	226	94	90
Two Family Residence	6	8	0	5
Multi-Family Residence	224	118	55	60
Senior Housing – Single Family	61	63	11	10
Senior Housing – Duplex	32	26	0	0
Industrial	5	1	1	1
Commercial	23	27	11	12
Commercial/Industrial Build outs/Remodels	68	68	32	35
Residential Addition	21	18	17	15
Remodeling	47	47	51	50
Accessory Structures	967	760	564	600
Roofing	46	90	103	100
Misc. Improvements	199	233	111	110
Sign	108	154	92	110
Demolition	4	2	4	4

# BUILDING AND ZONING ORGANIZATIONAL CHART



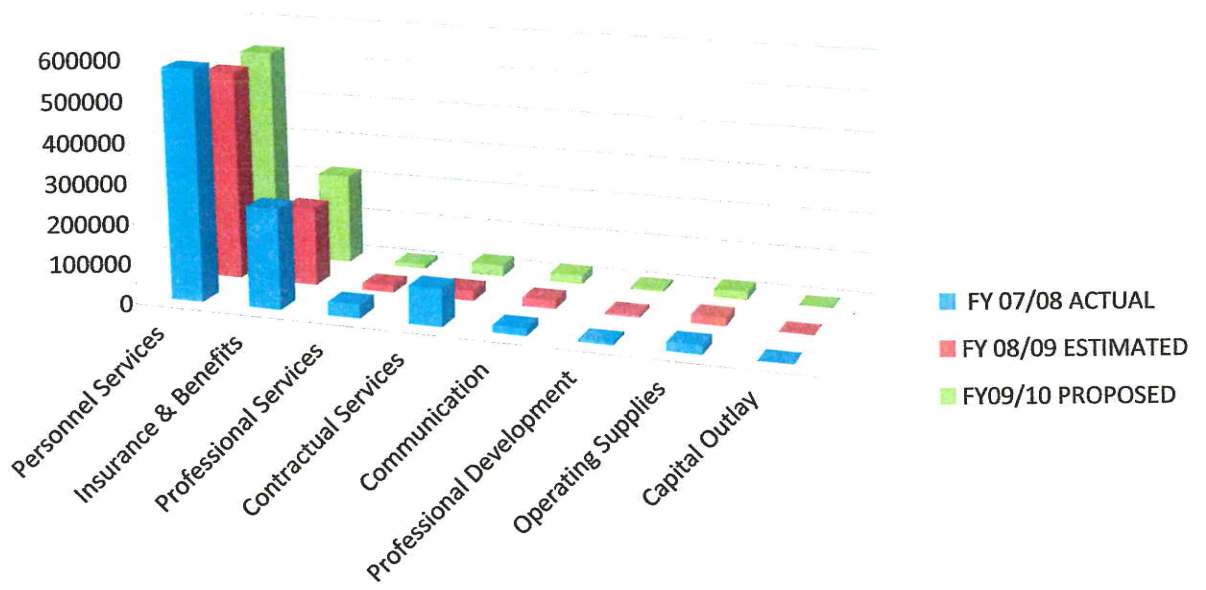
**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**General Fund**

**BUILDING AND ZONING SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 07/08</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 08/09</u></b> <b><u>BUDGET</u></b>	<b><u>FY 08/09</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 09/10</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	549,649	560,078	507,652	521,919	-7%
Salaries Part-Time	24,964	27,338	11,513	4,000	-85%
Overtime	315	3,500	2,800	3,500	0%
Stipends	<u>100</u>	<u>1,000</u>	<u>500</u>	<u>1,000</u>	0%
<b>Total Personnel Services</b>	<b>575,028</b>	<b>591,916</b>	<b>522,465</b>	<b>530,419</b>	<b>-10%</b>
<b>Insurance &amp; Benefits</b>	250,528	245,281	195,137	224,029	-9%
<b>Professional Services</b>	33,763	4,500	17,425	10,300	129%
<b>Contractual Services</b>	93,639	32,394	25,000	28,005	-14%
<b>Communication</b>	18,788	24,800	21,500	21,500	-13%
<b>Professional Development</b>	6,690	7,000	6,800	6,300	-10%
<b>Operating Supplies</b>	22,502	21,000	21,000	19,600	-7%
<b>Capital Outlay</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>1,000,938</b>	<b>926,891</b>	<b>809,327</b>	<b>840,153</b>	<b>-9%</b>

## Village of Oswego Building & Zoning Department Operating Expenditures



Village of Oswego  
Fiscal Year '09/'10 Budget

General Fund

BUILDING AND ZONING

01-03

Personnel Services

50-6210	Salaries, Full-Time	521,919
50-6222	Salaries, Part-Time	4,000
50-6230	Overtime	3,500
50-6250	Meeting Stipend	<u>1,000</u>
	<b>Total Personnel Services</b>	<b>530,419</b>

Insurance and Benefits

51-6310	FICA, Village Share	39,768
51-6315	IMRF, Village Share	57,412
51-6330	Health Insurance	116,519
51-6335	Dental Insurance	<u>10,330</u>
	<b>Total Insurance and Benefits</b>	<b>224,029</b>

Professional Services

52-6415	Plumbing Inspections Part-time inspector @ \$25.00 per inspection	300
52-6530	Miscellaneous Professional Services	8,000
52-6795	Lawn Mowing Services	<u>2,000</u>
	<b>Total Professional Services</b>	<b>10,300</b>

Contractual Services

53-6500	General Insurance Illinois Municipal League liability insurance, life insurance	24,005
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53-7315	Maintenance, Equipment Office equipment upkeep and maintenance	1,000
53-7325	Maintenance, Vehicles Maintenance on Building and Zoning vehicle fleet	<u>3,000</u>
	<b>Total Contractual Services</b>	<b>28,005</b>

**Communication**

54-6550	Printing Expense Printing of Subdivision Reg. Comp. Plans Printing of Downtown Plans Building and Zoning Document Printing	1,200
54-6715	Advertising, Bids and Records	300
54-6765	Postage and Freight	5,000
54-6785	Telephone Expense Nextels and landline telephone costs	<u>15,000</u>
	<b>Total Communication</b>	<b>21,500</b>

**Professional Development**

55-6566	Travel and Training ICC and NFPA sponsored certifications/seminars for inspectors Computer, organizational and customer service seminars for office staff	5,500
55-6730	Dues National Fire Protection Association(NFPA) International Code Council(ICC)	<u>800</u>
	<b>Total Professional Development</b>	<b>6,300</b>

Operating Supplies

56-6720	Books and Publications	800
	2003 International Building Code	
	2002 National Fire Code	
	ASTM Standards	
56-6735	Gasoline	9,000
	Fuel for six (6) Village owned vehicles	
56-6740	Office Supplies	8,300
	Printer replacement for front office and various office supplies such as copy paper, printer cartridges, toner, etc.	
56-6825	Uniform Allowance	<u>1,500</u>
	Uniforms and clothing for Building Inspectors(summer only), Code Enforcement Officer and Building and Zoning Director	
	<b>Total Operating Supplies</b>	<b>19,600</b>
<b>TOTAL BUILDING AND ZONING</b>		<b>840,153</b>

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**Village of Oswego  
Fiscal Year '09/'10 Budget**

**COMMUNITY DEVELOPMENT DEPARTMENT**

**DEPARTMENT FUNCTION:**

The Community Development Department is primarily responsible for the administration of the development review process, including project management, 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 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. It is important to note that there are three approved Planner positions for the department; however, one of these positions is vacant and will remain open for the entire 2009/2010 fiscal year due to the state of the economy.

<b>Position</b>	<b>Fiscal Year 07/08</b>	<b>Fiscal Year 08/09</b>	<b>Fiscal Year 09/10</b>
Community Development Director	1.0	1.0	1.0
Senior Planner	1.0	0.0	0.0
Planner	2.0	3.0	3.0
Mapping Technician	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
<b>Totals</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

## Fiscal Year 2008/2009 Objectives: Status

### *General Department Objectives*

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 in 2008 decreased, but the number of items requested had increased. Staff maintained a review process that is timely for the public, petitioners, and Village officials.*

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 processed seven amendments to the Village Code in 2008. These changes included general amendments to the text defining terms and processes, clarifying issues that have arisen particularly in regards to fencing and accessory uses, and closed loopholes in reviewing pergolas in the Village. The Village also created an amendment that would allow for wind energy systems in residential areas.*

4. Update and maintain a GIS mapping system for the Village.

*This is a continuing objective as the development of the community continues. Processes are continually being updated, particularly in regards to addressing properties. Maps, including zoning, land use, and pending development has been added to the web site. GIS mapping was used for the census that was conducted in the Village over the summer.*

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. One façade application was approved in January of 2008. No other applications were submitted in the budget year.*

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. Staff's goal is to provide the boards and commissions it serves with the necessary information for those groups to provide their recommendations to the Village Board and for the Village Board to render final decisions.*

7. Provide Staff services to various boards, commissions and committees, as needed.

*Staff provides 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 has been available to assist with other boards and commissions in the Village as well as the region to provide necessary assistance when needed.*

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. Major additions to the map in the past year were the annexation of the Hummel Trails development and the expansion of commercial on the Streets of Oswego project.*

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

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

### ***Strategic Planning Goals***

1. Continue to complete the update to the Downtown Plan.

*The Village worked on the Downtown Framework Plan throughout the year. The draft document was provided to the Village Board in October of 2008. The plan was adopted by the Village Board in December of 2008. Staff will work to start the implementation strategies as outlined in the planning document in the next few years.*

2. Continue to work on a transportation plan. Select a planning firm to complete the work within calendar year 2008.

*The Village hired the firm of Baxter and Woodman to initiate the transportation plan. Work began in the beginning of the fiscal year and has progressed throughout the year. Staff anticipates that a draft of the planning document will be brought before the Village Board for review in the spring of 2009.*

3. Review the Village's Comprehensive Plan to determine if areas require further discussion and possible updates.

*Staff has discussed the existing conditions of the comprehensive plan. Due to reduced pressure for development in the past year and the need to gain further information from Fox Metro on serviceability for the undeveloped areas, staff has not initiated further action on the comprehensive plan at this time.*

4. Review vehicle purchasing program to investigate adopting a hybrid vehicle purchasing policy for next budget year.

*Staff has worked with the ECO commission to review vehicle purchasing policies. E85 and hybrid vehicles were purchased in the past year. Community Development is waiting on feedback from these vehicles prior to forwarding a permanent policy. Staff and ECO will continue to explore alternative fuel vehicle options with departments that purchase vehicles.*

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.

*Staff has worked with the OEDC on establishing a corridor plan for Orchard Road. The concepts have been presented to various taxing bodies, the Plan Commission, and the Village Board.*

### **Fiscal Year 2009/2010 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 Historical Survey for the downtown area that was initiated in the 08/09 fiscal year.
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. Implement the Downtown Framework Plan. Work should start with comprehensive rezonings and bulk standard amendments in the downtown study area.
2. Continue the review of the proposed TIF District for the downtown area. Hold public educational meetings on the TIF. Assist the Joint Review Board on their review of the TIF District. Provide the Village Board with necessary assistance in reviewing the proposal.
3. Continue to work on a transportation plan. Plan for Village Board review of the draft document in the spring of 2009.
4. Review the Village's Comprehensive Plan to determine if areas require further discussion and possible updates.
5. Monitor the vehicle purchasing program to investigate adopting a hybrid vehicle purchasing policy for next budget year.
6. Work with the Oswego Economic Development Corporation, the Plan Commission, and the Village Board to complete the strategy for the Orchard Road industrial corridor.

<b>Performance Measures</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Annexation	11	10	7	6	5
Annexation Agreement	11	14	6	6	0
Rezoning: Residential	8	10	6	4	6
Rezoning: Commercial	6	2	11	5	3
Rezoning: Manufacturing	0	0	0	0	3
Concept Plan: Residential	3	1	0	3	3
Concept Plan: Commercial	1	2	2	1	4
Concept Plan: Manufacturing	0	0	0	0	0
PUD Agreement: Residential	0	0	2	3	0
PUD Agreement: Commercial	3	1	2	3	0
PUD Agreement: Manufacturing	0	0	0	0	0
Preliminary PUD: Residential	12	9	6	2	4
Preliminary PUD: Commercial	7	5	15	5	1
Preliminary PUD: Manufacturing	0	0	0	0	1

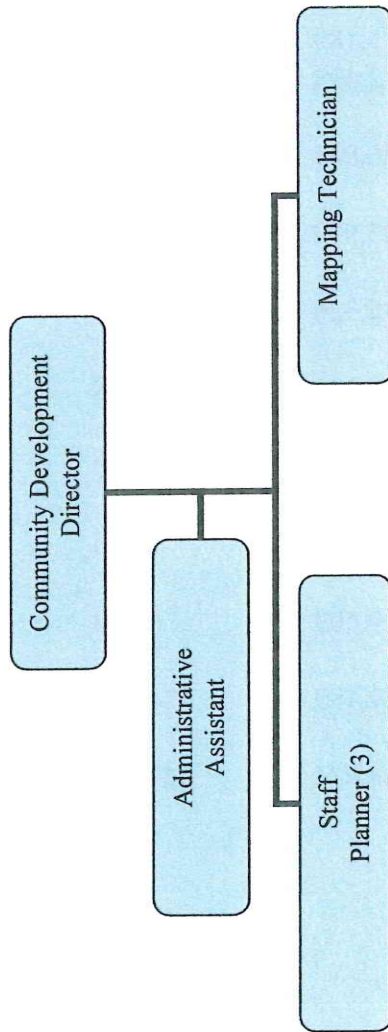


Preliminary Plat: Residential	12	6	4	0	3
Preliminary Plat: Commercial	5	3	10	1	1
Preliminary Plat: Manufacturing	0	0	0	0	1
Final PUD: Residential	12	7	11	1	3
Final PUD: Commercial	9	20	36	28	6
Final PUD: Manufacturing	0	3	0	1	5
Amendment to Final PUD	0	0	0	0	12
Final Plat: Residential	15	6	9	0	3
Final Plat: Commercial	4	8	12	9	5
Final Plat: Manufacturing	0	0	0	0	5
Special Use Permit: Residential	0	0	0	0	2
Special Use Permit: Commercial	2	1	4	8	2
Special Use Permit: Manufacturing	0	1	0	0	4
Site Plan: Staff Review Only	2	3	2	0	0
Site Plan:	1	0	0	3	0
Variances: Residential	2	0	7	5	0
Variances: Non-Residential	0	0	2	3	1
Zoning Ordinance Text Amendments	1	3	0	5	0
County Jurisdictional Review	1	3	2	3	4
<b>Total Year-End Requested Actions</b>	<b>128</b>	<b>118</b>	<b>156</b>	<b>105</b>	<b>132</b>
<b>Projects Processed</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Plan Commission	63	67	81	56	33
Zoning Board of Appeals	2	0	9	8	2
<b>Total Year-End Projects Processed</b>	<b>65</b>	<b>67</b>	<b>89</b>	<b>64</b>	<b>35</b>

<b>LENGTH OF REVIEW PROCESS</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Average number of days between application submittal and Plan Commission Meeting	76 days	28 days	22 days	30 days
Days between application and Village Board decision	132 days	73 days	87 days	69 days

<b>NUMBER OF TIMES REQUIRED TO SUBMIT FOR REVIEW</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Number of Plans Reviewed	407	529	371
Average number of times a plan was submitted/resubmitted	1.76	2.4	2.5

**COMMUNITY DEVELOPMENT DEPARTMENT  
ORGANIZATIONAL CHART**



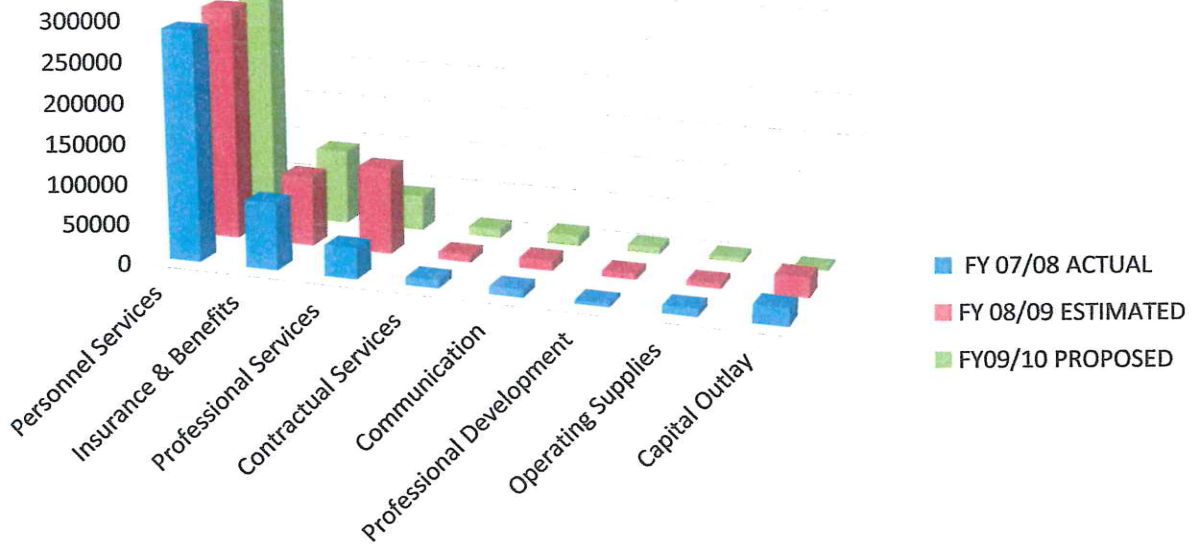
**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**General Fund**

**COMMUNITY DEVELOPMENT SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 07/08</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 08/09</u></b> <b><u>BUDGET</u></b>	<b><u>FY 08/09</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 09/10</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	279,171	330,035	289,528	282,573	-14%
Salaries Part-Time	5,180	3,500	0	3,500	0%
Overtime	<u>2,493</u>	<u>4,000</u>	<u>3,000</u>	<u>4,000</u>	0%
<b>Total Personnel Services</b>	<b>286,844</b>	<b>337,535</b>	<b>292,528</b>	<b>290,073</b>	<b>-14%</b>
<b>Insurance &amp; Benefits</b>	83,679	101,278	87,940	94,036	-7%
<b>Professional Services</b>	38,326	124,000	108,000	44,000	-65%
<b>Contractual Services</b>	10,302	12,688	9,383	10,879	-14%
<b>Communication</b>	9,791	15,000	13,100	13,100	-13%
<b>Professional Development</b>	4,323	7,500	7,500	8,500	13%
<b>Operating Supplies</b>	9,509	6,600	6,600	5,200	-21%
<b>Capital Outlay</b>	<u>22,199</u>	<u>24,983</u>	<u>24,983</u>	<u>2,000</u>	-92%
<b>TOTAL EXPENDITURES</b>	<b>464,974</b>	<b>629,584</b>	<b>550,034</b>	<b>467,788</b>	<b>-26%</b>

## Village of Oswego Community Development Department Operating Expenditures



Village of Oswego  
Fiscal Year '09/'10 Budget

General Fund

COMMUNITY DEVELOPMENT

01-04

Personnel Services

50-6210	Salaries, Full-Time	282,573
50-6222	Salaries, Part-Time	3,500
50-6230	Overtime	<u>4,000</u>
	<b>Total Personnel Services</b>	<b>290,073</b>

Insurance and Benefits

51-6310	FICA, Village Share	21,577
51-6315	IMRF, Village Share	31,468
51-6330	Health Insurance	38,366
51-6335	Dental Insurance	<u>2,625</u>
	<b>Total Insurance and Benefits</b>	<b>94,036</b>

Professional Services

52-6530	Miscellaneous Professional Services	
	Miscellaneous consultant services(Downtown Study)	<u>23,000</u>
	<b>Total Miscellaneous Professional Services</b>	<b>23,000</b>
52-6760	Plan Commission	3,500
	Meeting stipend, planning related seminars/conferences	
52-6792	Environmentally Conscious Oswegoans(ECO) Committee	12,000
	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>4,000</u>

	<b>Total Professional Services</b>	<b>44,000</b>
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**Contractual Services**

53-6500	General Insurance	10,054
	Illinois Municipal League liability insurance; life insurance	

53-7315	Maintenance, Equipment	500
	Service work for the plotter	

53-7830	Mapping Expense	<u>325</u>
	Sidwell Aerial Maps	

	<b>Total Contractual Services</b>	<b>10,879</b>
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**Communication**

54-6550	Printing Expense	
	Comprehensive Plans	500
	Zoning Ordinance	200
	Comprehensive Downtown Plans	500
	Business Cards	300
	Printing supplies for map reproduction for other departments and agencies	<u>500</u>
	<b>Total Printing Expense</b>	<b>2,000</b>

54-6715	Advertising, Bids and Records	600
	Posting of legal notices, job ads, requests for proposals, etc.	

54-6765	Postage and Freight	2,500
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54-6785	Telephone Expense	<u>8,000</u>
	SBC and Nextel services	

	<b>Total Communication</b>	<b>13,100</b>
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**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>3,780</u>	
	<b>Total Travel and Training</b>		<b>7,000</b>
55-6730	Dues		<u>1,500</u>
	American Planning Association(APA)		
	American Institute of Certified Planners(AICP)		
	Illinois Geographic Information System Association (ILGIS)		
	<b>Total Professional Development</b>		<b>8,500</b>

**Operating Supplies**

56-6720	Books and Publications		450
	Monthly and weekly planning and zoning, historic preservation, grants, and business subscriptions/publications; miscellaneous planning and development related books		
56-6740	Office Supplies		4,500
	Various file folders, stationary, paper, pens, etc.		
56-6806	Miscellaneous		<u>250</u>
	<b>Total Operating Supplies</b>		<b>5,200</b>

**Capital Outlays**

57-7821	Mapping System		<u>2,000</u>
	<b>Total Capital Outlays</b>		<b>2,000</b>

**TOTAL COMMUNITY DEVELOPMENT 467,788**

**Village of Oswego  
Fiscal Year '09/'10 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 sidewalk, curb and gutter replacement, pavement marking, street sign replacement and maintenance, street light and traffic signal maintenance and repairs, street sweeping, snow removal operations, mosquito spraying, tree trimming and replacement, brush chipping and the annual leaf removal program. Public Works is pursuing the purchase of a Leaf Vacuum in addition to the leaf plows for the 2009 season. The Vac would allow us to start sooner in the season to pick up smaller piles and throughout the season for these smaller piles especially in the outlying areas and save some daily costs with the contracted service for disposal. This department is also responsible for any storm sewer installation and maintenance. The Public Works Department maintains the existing storm sewer lines in the system utilizing the Jetter as needed. The Village has approximately 120 lane 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 2,120 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 maintained. All tree removal work except for stump removal is done by Village staff. The Arborist also on occasion speak to different homeowner groups to educate them on various topics.

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.

<u>Position</u>	<u>Fiscal Year 07/08</u>	<u>Fiscal Year 08/09</u>	<u>Fiscal Year 09/10</u>
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	1.0	1.0
Operations Super.	3.0	3.0	3.0
Operations Supv.	0	3.0	3.0
Tech I*	12.0	12.0	10.0
Tech II	6.0	3.0	5.0



<b>Position</b>	<b>Fiscal Year 07/08</b>	<b>Fiscal Year 08/09</b>	<b>Fiscal Year 09/10</b>
Utility Billing Coordinator	1.0	1.0	1.0
Utility Billing/ Admin. Asst.	0.0	0.0	0.5
Facilities Tech	0.5	0.5	0.5
<b>TOTALS</b>	<b>29.0</b>	<b>28.0</b>	<b>28.5</b>

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

**Fiscal Year 2008/2009 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 that makes all signage meet the new reflectivity standards.*

3. Continue updating old traffic directional signs.

*This is ongoing with the replacement of aging signage and vandalism or damaged signage. This also will be part of the new reflectivity requirements.*

4. Mechanics staff to obtain ASE certification.

*Registration was completed and training materials were received with testing to be in spring of 2009.*

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

*This is ongoing.*

6. Continue the sidewalk replacement program.

*The list for 2008 was completed. This is ongoing and will continue during 2009.*

7. Continue the installation of the new sidewalks in old town.

*Completed the list for 08/09. This is ongoing and will continue in the spring of 2009.*

8. Install small T-sidewalk sections in subdivisions.

*This was started per Trustee initiatives and will be completed during the FY09/10 budget year.*

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

*This is ongoing annually. We are now responsible for all striping of IDOT roadway turn lanes, crosswalks etc. in the Village limits.*

10. Complete purchases of any capital budgeted items.

*All FY 08/09 budget items were purchased, under budget.*

11. Complete MFT roadway program

*Program list completed for 08/09. This is ongoing and will continue in 09/10.*

12. Complete additional asphalt repairs as needed.

*List completed in 08/09.*

13. Complete Minkler Rd. bridge approach repairs per engineering inspections.

*Both side of bridge approach were repaired and asphalt overlay completed.*

14. Complete Douglas Rd. reconstruction

*Road reconstruction completed in 2008. Sound wall, signage, landscaping and some striping yet to be completed in 2009.*

15. Complete new Village Hall punch list and warranty repairs.

*Building and landscaping punch list items were completed. Still in the process of working on some building punch list issues regarding heat system.*

#### **Fiscal Year 2009/2010 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 to meet new reflectivity standards
6. Continue updating old traffic directional signs to meet national standards & new reflectivity standards.
7. Mechanics staff to obtain ASE certification by end of 2009.
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. Complete crosswalk ADA ramp sections of sidewalks in subdivisions.
12. Continue re-striping 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 Douglas Rd. reconstruction & landscaping. Prepare and complete punch lists.
17. Complete new Village Hall air system issues with contractors.
18. Work with contractor to get new HVAC computer monitoring system installed and in service at P.W.
19. Oversee construction of P.W. addition.
20. Re grade drainage ditch Adams St.

Public Works 2008 Quantities of Completed Tasks

Street Lights/Traffic Signals

Street Light Lamps	136
Light Heads	25
Photo Cells	43
Ballast Kits	23
Fuses	11
New Poles Installed (Concrete)	2
Lens Covers	6

TOTAL CONTRACTED SERVICES:

Materials & Labor: \$52,212.55

Total Reimbursements, for Streetlight/Traffic Signals: \$2,442.70  
(Insurance/Accidents)

Reimbursement from IDOT for shared intersections: \$5,584.63

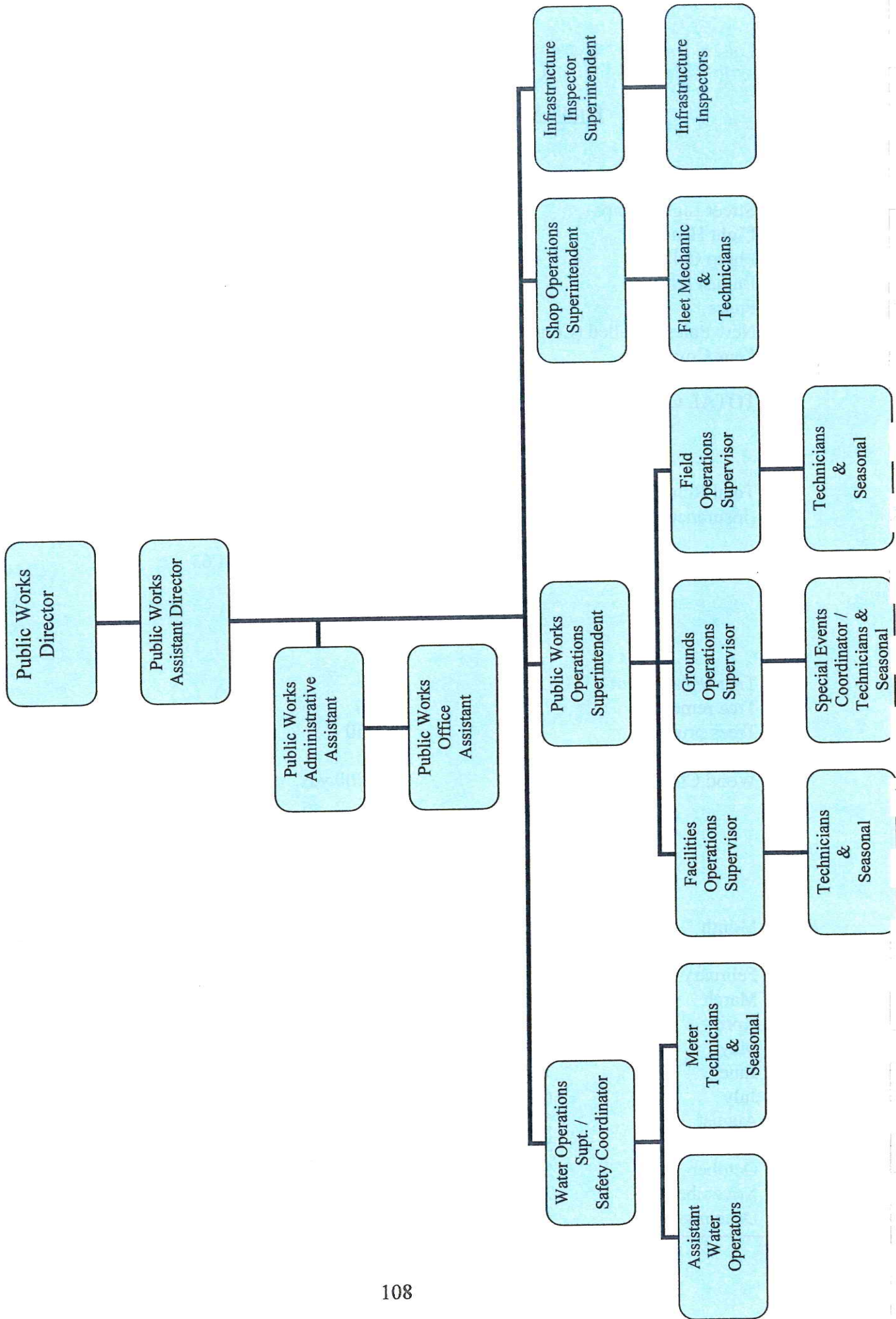
Parkway Tree Maintenance

Tree replacement	57
Tree removals	96
Trees pruned	550
Stumps removed	36
Wood Chips Produced	1500 yds.

2008 J.U.L.I.E. Locate Tickets

<u>Month</u>	<u># Tickets</u>	<u>Costs</u>
January	244	\$ 234.80
February	137	134.15
March	354	339.30
April	911	868.45
May	929	883.55
June	725	725.00
July	622	687.20
August	542	596.20
September	531	588.10
October	531	586.10
November	245	276.60
December	110	124.00

**PUBLIC WORKS DEPARTMENT ORGANIZATIONAL CHART**



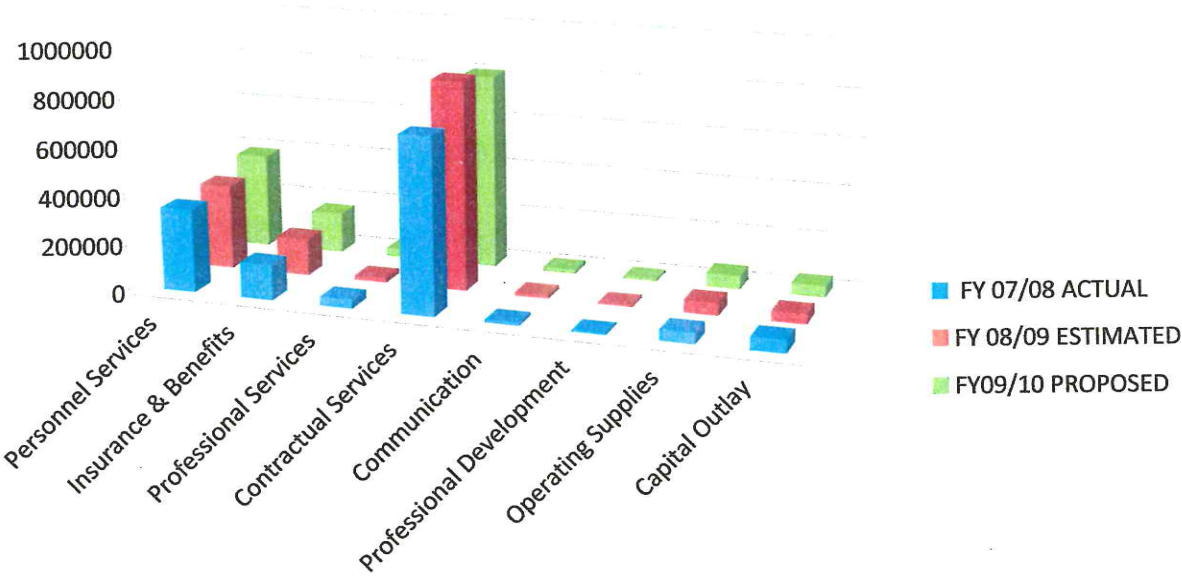
**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**General Fund**

**ROAD AND BRIDGE SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 07/08</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 08/09</u></b> <b><u>BUDGET</u></b>	<b><u>FY 08/09</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 09/10</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
<b>Personnel Services</b>					
Salaries Full-Time	307,400	316,694	315,851	349,796	10%
Salaries Part-Time	15,385	20,000	14,000	20,000	0%
Overtime	<u>20,902</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	0%
<b>Total Personnel Services</b>	<b>343,687</b>	<b>356,694</b>	<b>349,851</b>	<b>389,796</b>	<b>9%</b>
<b>Insurance &amp; Benefits</b>	145,854	157,753	152,821	165,979	5%
<b>Professional Services</b>	36,676	50,000	20,000	35,000	-30%
<b>Contractual Services</b>	721,425	882,699	859,102	802,036	-9%
<b>Communication</b>	13,163	15,000	15,000	15,000	0%
<b>Professional Development</b>	6,227	8,500	8,500	8,500	0%
<b>Operating Supplies</b>	46,370	57,000	53,500	57,000	0%
<b>Capital Outlay</b>	<u>54,062</u>	<u>47,000</u>	<u>42,000</u>	<u>47,000</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>1,367,464</b>	<b>1,574,646</b>	<b>1,500,774</b>	<b>1,520,311</b>	<b>-3%</b>

# Village Of Oswego Road & Bridge Department Operating Expenditures



Village of Oswego  
Fiscal Year '09/'10 Budget

General Fund

ROAD AND BRIDGE

01-05

Personnel Services

50-6210	Salaries, Full-Time	349,796
50-6222	Salaries, Part-Time	20,000
50-6230	Overtime	<u>20,000</u>
	<b>Total Personnel Services</b>	<b>389,796</b>

Insurance and Benefits

51-6310	FICA, Village Share	27,881
51-6315	IMRF, Village Share	39,029
51-6330	Health Insurance	92,143
51-6335	Dental Insurance	<u>6,926</u>
	<b>Total Insurance and Benefits</b>	<b>165,979</b>

Professional Services

52-6480	Engineering Service Consulting Engineer for Village construction projects	<u>35,000</u>
	<b>Total Professional Services</b>	<b>35,000</b>

Contractual Services

53-6500	General Insurance Illinois Municipal League Liability Insurance; life insurance	18,536
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	45,000



53-6570	Snow Removal Expense Salt purchase for snow removal	250,000
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	10,000
53-7360	Maintenance, Street Lights Rewiring of street lights, bulbs, fuses, etc. and repairing fallen poles Solar Street Light additions	100,000
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	60,000
53-7870	Street Lighting Expense Electricity costs for all Village street lights	<u>135,000</u>
	<b>Total Contractual Services</b>	<b>802,036</b>

**Communication**

54-6550	Printing Expense Notification printing of any Village road project	1,000
54-6715	Advertising, Bids and Records Advertising and bid awards for roadway or infrastructure projects	1,000
54-6765	Postage and Freight Postage and/or freight charges for ordering supplies	3,000
54-6785	Telephone Expense Nextel and telephone usage for the department	<u>10,000</u>
	<b>Total Communication</b>	<b>15,000</b>

**Professional Development**

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

**Operating Supplies**

56-6735	Gasoline Fuel purchase for Public Works vehicles for non-water services	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 Purchase of trees for Village property or parkways	<u>8,000</u>
	<b>Total Operating Supplies</b>	<b>57,000</b>
<b><u>Capital Outlay</u></b>		
57-7850	Radios, Communication Equipment Replacement of Nextel radios/phones Two-way radio purchase for Road and Bridge vehicles Two-way radio annual tower/repeater rental	10,000
57-7875	Street Sign Purchase Street sign blanks, posts, hardware, material School zone signage, P.D. request signage Replacement of old signage	25,000
57-7883	Landscaping Materials Plant materials and supplies for downtown, Promenade, Park&Ride and various Village locations	<u>12,000</u>
	<b>Total Capital Outlay</b>	<b>47,000</b>
<b>TOTAL ROAD AND BRIDGE</b>		<b>1,520,311</b>

**Village of Oswego  
Fiscal Year '09/'10 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.

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.

### **2008/2009 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 08/09 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. 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.*

A space needs assessment was completed by McClaren, Wilson and Lawrie, Incorporated and presented to the Village Board. The completed space needs assessment was posted

on the police department website for review by Village residents. The assessment identified the Village should acquire a minimum of 12.50 acres of land for the new police facility. The land should be located on an arterial road with easy access for the public and emergency vehicle traffic.

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

*Property is identified and deeded to the Village of Oswego.*

A location has been identified on Woolley Road and negotiations are underway to finalize the acquisition of the property which should be completed by year end of 2009.

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.*

Preliminary research has been conducted identifying ways other communities have funded police facilities. A written report will be completed in mid 2009 outlining ways to fund a new police facilities and the report will include a recommendation. The report will be presented to the Village Board for consideration of implementation.

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.*

This objective was not completed and contingent upon objective 1.4.1, therefore will be an objective for FY 09/10.

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.*

We have notified KenCom of our perceived strengths and weaknesses in the current system. We did this by providing both area radio checks and verbal and written feedback

to the KenCom Operations board on our issues. All other members of KenCom have been made aware of our concerns and evaluation of the system in our area at KenCom Operations and Executive Board meetings. In this process we have gained support in our concerns from all other police and fire/ems agencies that utilize KenCom. KenCom Operations and Executive Boards have acted on our concerns and they have entered into a contractual agreement with Geo-comm (a public safety consulting firm) for a multi phased space and needs analysis to address user, staffing, space, equipment, and improvements for the future of KenCom.

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.*

Maintaining a competitive benefits and compensation package for personnel has been something our department and Village continue to strive for. While the economy has limited new personnel hires, the Village has maintained our current compensation package at all levels through a one year agreement extension. In 2008 the Patrol Officers voted to elicit the services of the Metropolitan Police Alliance (MAP). Representatives from Oswego Police Chapter 516 met with Village officials and presented their initial contract proposal. This process is ongoing and will continue well into 2009. While an internal satisfaction survey to measure our current benefits and compensation package was not disseminated this year, Chief Baird did meet with every employee to discuss departmental issues and concerns. Several issues and concerns have been implemented.

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.*

Progress on this objective has been established in the area of a cost sharing agreement between the Oswego Police Department and Oswego Fire Protection District for the purchases and installation of traffic signal pre-emption devices. Through a cost sharing agreement both agencies are contributing yearly to a multi-year installation process to upgrade existing traffic signals located within the Village of Oswego. The Village's Public Works Department is also involved in this process as they agreed to have several of their technicians trained in the basic repair of these systems and to stock repair parts,

thus saving some service call costs and repair costs that would otherwise have been added for minor repairs to the systems. Work continues on other possibilities in this objective.

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.*

Substantial steps have been made to achieve administrative adjudication. In 2008 we implemented a municipal court date at the 16<sup>th</sup> judicial center in Yorkville. That processes worked well and now we are ready to provide a facility and the infrastructure to have the court here in the Village. The new court date will be at the Village hall. Arrangements are being made to purchase software, logistics, resources and personnel are being assigned to have the administrative adjudication process up and running by May 2009.

### 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.*

We organized the crisis event for both divisions with a representative from the Oswego School District. This proved to be extremely challenging especially with the multitude of agencies/personnel involved which included: Oswego, Yorkville, Montgomery, Plainfield, Kendall County, Minooka, Naperville, Kendall County SRT, Oswego Fire Department and over 110 school district employees. This event was held on Friday June 6, 2008 at Fox Chase Elementary School and proved to be a great success. We would like to mention that our department provided the largest number of law enforcement agency participants in this drill and it cost the department \$0.00 in overtime expenditures. During this event two main objectives were identified: 1). Measure and evaluate law enforcements response to a crisis situation. 2). Measure and evaluate the school districts re-unification plan. While these objectives were accomplished during the exercise several areas for improvement were identified to include, communication, training, joint plan operations and tactical responses.

Improved operational readiness was not the only thing accomplished with this drill. One of the objectives in the Departments Strategic Plan was to Strengthen Intra-Government Relations. We while organizing this drill, took that into consideration during the



planning, organization and execution of this event. Other government entities included Oswego School District, Oswego Fire Protection District, Kencom, Public Works and Oswego School District Transportation.

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.*

Officers on each shift and/or on each team will be trained as gang officers and attend gang conferences (as available). 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 data base containing up to date gang documentation and contacts will be maintained. 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. Extra or assigned patrol officers may conduct specific patrols if area activities indicate a higher than normal gang presence or activities in the community. When extra patrols are scheduled other area police agencies will be notified of them and specifically we will this year try to coordinate these patrols with the Kendall County Sheriff's Office who have indicated they are also going to try some extra patrols in the Oswego area.

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.*

The MSP software is installed and the data fields are being built. The build team has been training and learning to navigate around the software. We have trained multiple people in different modules of the software so we can provide in-house training for the rest of the department. The go-live date is expected to be around February 2009.

## 2009/2010 Police Department Objectives

We are entering FY 09/10 which is the third year of this plan. We have listed some of our Strategic Plan objectives for FY 09/10 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. 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.*

2. Design a facility that will meet the needs of the assessment results from strategy 1.1.2.

*Through careful and cautious planning design a facility that is accepted by the community and will accommodate the needs of the department and the community as defined by their input and the results of the assessment. The facility is designed and accepted and put out for bidding.*

3. Develop and implement solutions to improve the issues discovered in strategy 2.1.1.

*The implementation of technology, personnel, and facilities upgrades that have been identified in the plan. This should be accomplished by the establishment and following of a phased rebuild/expansion/relocation project.*

4. Identify funding needs for strategies 2.2.1, 2.2.2 and 2.2.3.

*Utilize the identified strategies from 2.2.1, 2.2.2 and 2.2.3 to seek funding sources for these items. These may include cost sharing arrangements, bonds, grants, budgeted money expenditures, and any other sources. Establishment of identified funding sources to implement the strategies identified. If different sources are used each must identify what source is funding which strategy.*

## Service Objectives

1. Promote traffic safety through enforcement and education.

*The objective of this goal is to promote safe vehicular/pedestrian traffic throughout the Village of Oswego. This will be accomplished in a variety of ways to include: education, enforcement, media messages, statistical data review, training, and cooperation with multiple jurisdictional entities.*

2. Establish a communication network with the Home Owner Associations/Business Districts to reduce criminal activity.

*Officers must utilize the resources within this community to identify and solve crime. Establishing a solid communication network will allow residents the freedom to provide information to us and have them act as our eyes and ears in the community. This shall be accomplished through our attendance at HOA meetings, computerized email groups and crime prevention efforts outside of normal patrols. In addition we will provide a clear understanding of the department's initial response to crime and our subsequent investigative abilities in case development so the community has a better understanding of the process. The success of this goal will be measured on the quantity and quality of communication (emails, press releases, flyers, etc.) within the community, the number of crime prevention activities that occur throughout the year and the reduction of criminal reports, specifically, retail thefts and burglary to motor vehicles by 10%.*

3. Conduct crime specific/prevention details based on an identified need.

*This multi-division crime specific goal will follow the problem oriented policing philosophy with the focus being on targeted solutions and problems. Problem areas will be identified and the assigned HOA/Business district Officers will be responsible for devising an action plan. This goal will be measured on a quarterly basis utilizing the quarterly crime prevention report that is provided to the Chief of Police. All activities will be documented pursuant to CALEA standard. Specific complaints relevant to traffic will be documented on the monthly report.*

### 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	57	4	\$7,729,764.00	27,394	\$282.17
Plainfield	79	13	\$10,128,681.00	37,334	\$271.30
Lisle	58	3	\$5,997,900.00	23,506	\$255.16
Westmont	60	1	\$6,919,860.00	26,211	\$264.01
West Chicago	65	0	\$8,691,500.00	26,000	\$334.29
<b>Average</b>	<b>63.8</b>	<b>4.20</b>	<b>\$7,893,541.00</b>	<b>28,089</b>	<b>\$281.39</b>
<b>Oswego</b>	<b>63</b>	<b>8</b>	<b>\$6,577,437.00</b>	<b>29,012</b>	<b>\$226.71</b>

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

<u>Position</u>	<u>Fiscal Year 07/08</u>	<u>Fiscal Year 08/09</u>	<u>Fiscal Year 09/10</u>
Police Chief	1.0	1.0	1.0
Captain	3.0	3.0	3.0
Sergeants	8.0	8.0	8.0
Patrol Officers	41.0	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	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Receptionist	5.0	5.0	5.0
Police Cadet*	1.0	1.0	1.0
<b>TOTALS</b>	<b>68.0</b>	<b>68.0</b>	<b>68.0</b>

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

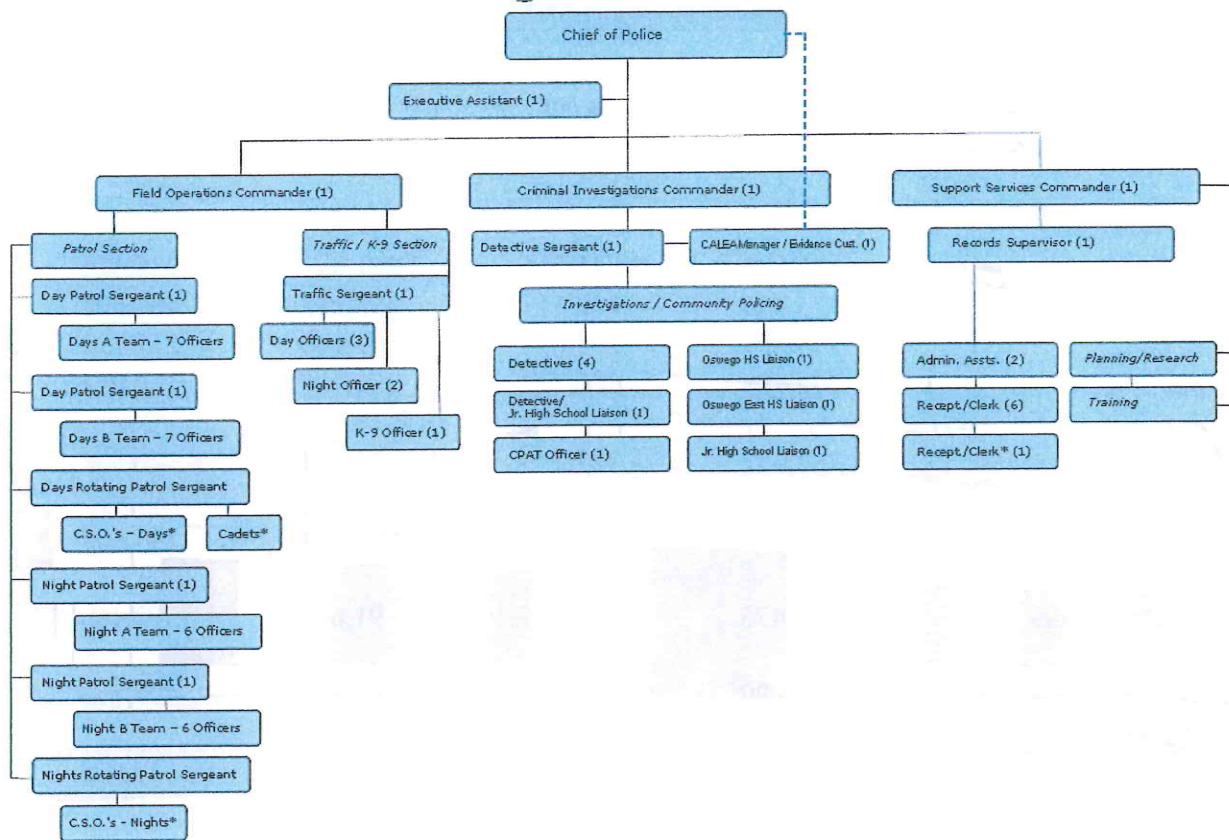
### Police Department Statistics

The department has provided the statistics for fiscal year 2009 and included fiscal years 2007 and 2008 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 2008 and 2009.

(Fiscal Year)	2007	2008	2009*	Change
Population (Estimate ending on April 30)	26,126	28,100	29,012	3.2%
Full time Personnel (Authorized)	63	64	63	<1%
Part time Personnel	8	9	8	<1%
Police Reports	5,136	5,387	5,179	-3.8%
Criminal	1,702	2,335	2,348	<1%
Non-criminal	1,410	807	651	-19.3%
Call for Service	50,497	51,918	47,789	-7.9%
Total Arrests	1,280	1,382	1,414	2.3%
Felony	163	153	163	6.5%
Misdemeanors	1,117	1,229	1,310	6.5%
D.U.I.	122	105	111	5.7%
Accidents Reports	732	825	763	-7.5%
Property Damage	504	563	565	<1%
Personnel Injury	126	134	112	-16.4%
Hit and Run	101	128	85	-33.5%
Fatal	1	0	1	100%
Traffic Citations	7,572	6,172	4,944	-19.8%
Traffic Warnings	12,709	12,379	12,428	<1%
Ordinance Citations	1,681	1,317	783	-40.5%
Miles Patrolled	474,565	502,742	521,863	3.8%
Total Alarm calls	900	1,142	1,164	1.9%
Burglar	875	1,104	1,109	<1%
Hold up	25	38	55	44%
Court Dispositions	\$213,085	\$193,083	178,036.13	-7.7%
Total Fines/Fees & Reimbursements	\$468,456	\$618,322	650,200.24	5.1%
Hours Worked	109,970	122,281	126,153	3.1%
Comp Time Earned	2,391	2,516	3,365	33.7%
Total Overtime (Hours)	4,767	5,595	5,980	6.8%
Contractual Service Hours	682	924	952	3%
Training Hours	5,549	5,236	5,600	6.9%

\* 2009 are estimated

# 2009 Organizational Chart



\*Part-time

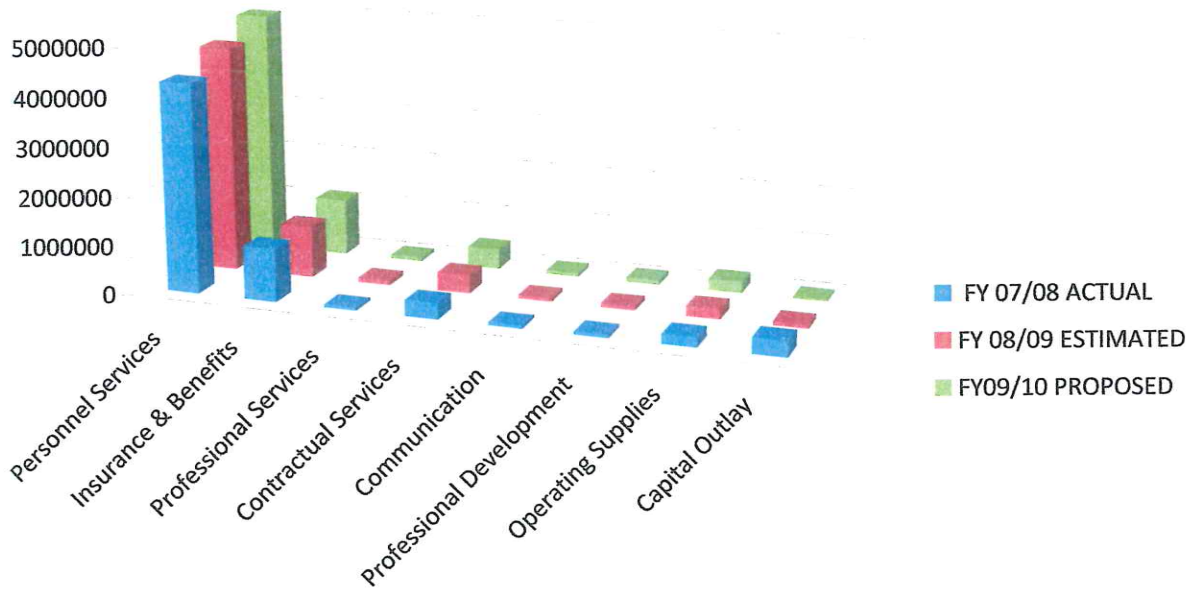
**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**General Fund**

**POLICE DEPARTMENT SUMMARY**

<b><u>EXPENDITURES</u></b>	<b><u>FY 07/08 ACTUAL</u></b>	<b><u>FY 08/09 BUDGET</u></b>	<b><u>FY 08/09 ESTIMATED</u></b>	<b><u>FY 09/10 PROPOSED</u></b>	<b>PERCENT CHANGE</b>
<b>Personnel Services</b>					
Salaries, Full-Time	3,420,099	3,745,856	3,661,041	3,938,376	5%
Salaries, Clerical	425,348	472,113	458,113	481,609	2%
Salaries, Other	144,601	206,640	199,140	212,192	3%
Overtime	<u>272,793</u>	<u>302,720</u>	<u>302,720</u>	<u>316,655</u>	5%
<b>Total Personnel Services</b>	<b>4,262,841</b>	<b>4,727,329</b>	<b>4,621,014</b>	<b>4,948,832</b>	<b>5%</b>
<b>Insurance &amp; Benefits</b>	1,087,129	1,140,526	1,051,474	1,144,608	0%
<b>Professional Services</b>	59,476	100,775	91,665	72,460	-28%
<b>Contractual Services</b>	330,390	377,809	369,851	408,650	8%
<b>Communication</b>	61,797	74,510	73,810	77,625	4%
<b>Professional Development</b>	60,661	101,315	84,460	87,890	-13%
<b>Operating Supplies</b>	203,323	207,840	204,020	228,210	10%
<b>Capital Outlay</b>	<u>316,058</u>	<u>60,612</u>	<u>81,143</u>	<u>37,245</u>	-39%
<b>TOTAL EXPENDITURES</b>	<b>6,381,677</b>	<b>6,790,716</b>	<b>6,577,437</b>	<b>7,005,520</b>	<b>3%</b>

# Village of Oswego Police Department Operating Expenditures





**Village of Oswego  
Fiscal Year '09/'10 Budget**

**General Fund**

**POLICE**

**01-10**

**Personnel Services**

50-6210	Salaries, Full-Time	3,938,376
50-6220	Salaries, Clerical	481,609
50-6230	Overtime	316,655
50-6235	Salaries, Other	<u>212,192</u>
<b>Total Personnel Services</b>		<b>4,948,832</b>

**Insurance and Benefits**

51-6310	FICA	370,297
51-6315	IMRF	51,327
51-6330	Health Insurance	670,040
51-6335	Dental Insurance	<u>52,944</u>
<b>Total Insurance and Benefits</b>		<b>1,144,608</b>

**Professional Services**

52-6430	Police Commission	
	Commission Meeting Fees	2,300
	Patrol Officer Testing	12,200
	Attorney - Legal Fees	4,000
	Advertising	15
	Recruitment/ Career Day	1,000
	IL. Police Commission Conference/Dues	<u>1,200</u>
	<b>Total Police Commission</b>	<b>20,715</b>
52-6435	K-9 Unit	
	K-9 Recertification	500
	Food & Boarding	950
	K-9 Mortality Insurance	900

	Training Equip.	200	
	Medication/Vet	600	
	Grooming	<u>450</u>	
	Total K-9 Unit		3,600
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	14,490	
	Field Operations	1,200	
	Investigations	<u>19,505</u>	
	Total Miscellaneous Professional Services		<u>35,195</u>
	<b>Total Professional Services</b>		<b>72,460</b>
 <b><u>Contractual Services</u></b>			
53-6500	General Insurance		147,700
	IML Liability Insurance, Life Insurance		
53-6825	Uniform Allowances		36,750
	Command , Investigations & Clerical		
53-7310	Maintenance, Buildings		
	Exterior Building	12,980	
	Interior Building	18,970	
	Cleaning Service	9,540	
	Misc.	<u>3,480</u>	
	Total Maintenance, Buildings		44,970
53-7325	Maintenance, Vehicles		
	Squad Car Maintenance	52,650	
	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		63,100
53-7330	Maintenance, Police Equipment		
	Squad Car Equip. Repair	3,200	
	Police Equip. Maintenance Agreements/usage	31,660	
	Misc. Repair (Scales - Speed Trailer)	<u>7,600</u>	
	Total Maintenance, Police Equipment		42,460
53-7335	Maintenance, Office Equipment		
	Computer Maint.	10,000	
	Office Communication Equip.	34,410	
	Records System upgrades/maintenance	<u>8,560</u>	
	Total Maintenance, Office Equipment		52,970
53-7880	Uniform Purchases		
	Bullet Proof Vests	3,000	
	Quarter Master	6,500	
	Department Equip.	6,350	
	Specialty Uniform	<u>4,850</u>	
	Total Uniform Purchase		<u>20,700</u>
	<b>Total Contractual Services</b>		<b>408,650</b>
<b><u>Communication</u></b>			
54-6550	Printing Expense		
	Stationary	1,000	
	Report Forms	11,625	
	Misc. Forms	<u>2,200</u>	
	Total Printing Expense		14,825
54-6715	Advertising, Bids and Records		700
54-6765	Postage and Freight		11,000
54-6785	Telephone Expense		
	Telephone Service	33,280	
	Investigations	3,360	
	Mobile Phone Service	<u>14,460</u>	
	Total Telephone Expense		<u>51,100</u>
	<b>Total Communication</b>		<b>77,625</b>

**Professional Development**

55-6565	Schools and Training Expense		
	North-East Multi-Regional Training (85x42)	4,950	
	<b><u>Conferences &amp; Specialized Training</u></b>		
	Administration	5,555	
	Field Operations	31,460	
	Investigations	<u>9,565</u>	
	Total Schools and Training Expense		51,530
55-6730	Dues		
	Field Operations	770	
	Investigations	1,240	
	Administration	<u>1,205</u>	
	Total Dues		3,215
55-6805	Travel Expense		
	NEMRT (Lunch \$10 x 42 x 2)	1,500	
	<b><u>Conferences &amp; Specialized Training</u></b>		
	Administration	9,785	
	Field Operations	11,775	
	Investigations	<u>10,085</u>	
	Total Travel Expense		<u>33,145</u>
	<b>Total Professional Development</b>		<b>87,890</b>

**Operating Supplies**

56-6720	Books and Publications		
	Law updates	1,050	
	Miscellaneous	350	
	Fair Labor Standards	<u>450</u>	
	Total Books and Publications		1,850
56-6735	Gasoline		155,000
56-6740	Office Supplies		
	Printer Supplies	8,500	
	General Supplies	<u>5,190</u>	
	Total Office Supplies		13,690

56-6745	Operating Supplies		
	Administrative	4,050	
	Field Operations	35,020	
	Investigations	12,970	
	Tactical	<u>0</u>	
	Total Operating Supplies		52,040
56-6806	Miscellaneous		<u>5,630</u>
	<b>Total Operating Supplies</b>		<b>228,210</b>
 <b><u>Capital Outlay</u></b>			
57-7822	Computer Hardware/Software Purchase		<u>37,245</u>
	<b>Total Capital Outlay</b>		<b>37,245</b>
 <b>TOTAL POLICE DEPARTMENT</b>			 <b>7,005,520</b>

**Village of Oswego  
Fiscal Year '09/'10 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 2009 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 2009/2010. 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.

**2008/2009 Motor Fuel Tax Fund Objectives: Status**

1. Complete the 2008 roadwork project.

*This has been completed.*

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

*This is ongoing.*

3. Continue to insure that the Douglas Road debt will receive adequate funding from MFT allotments.

*This is ongoing.*

### **2009/2010 Motor Fuel Tax Fund Objectives**

1. Complete the 2009 roadwork projects.
2. Continue to restrict the use of MFT funds in order to build up the reserves of the fund.

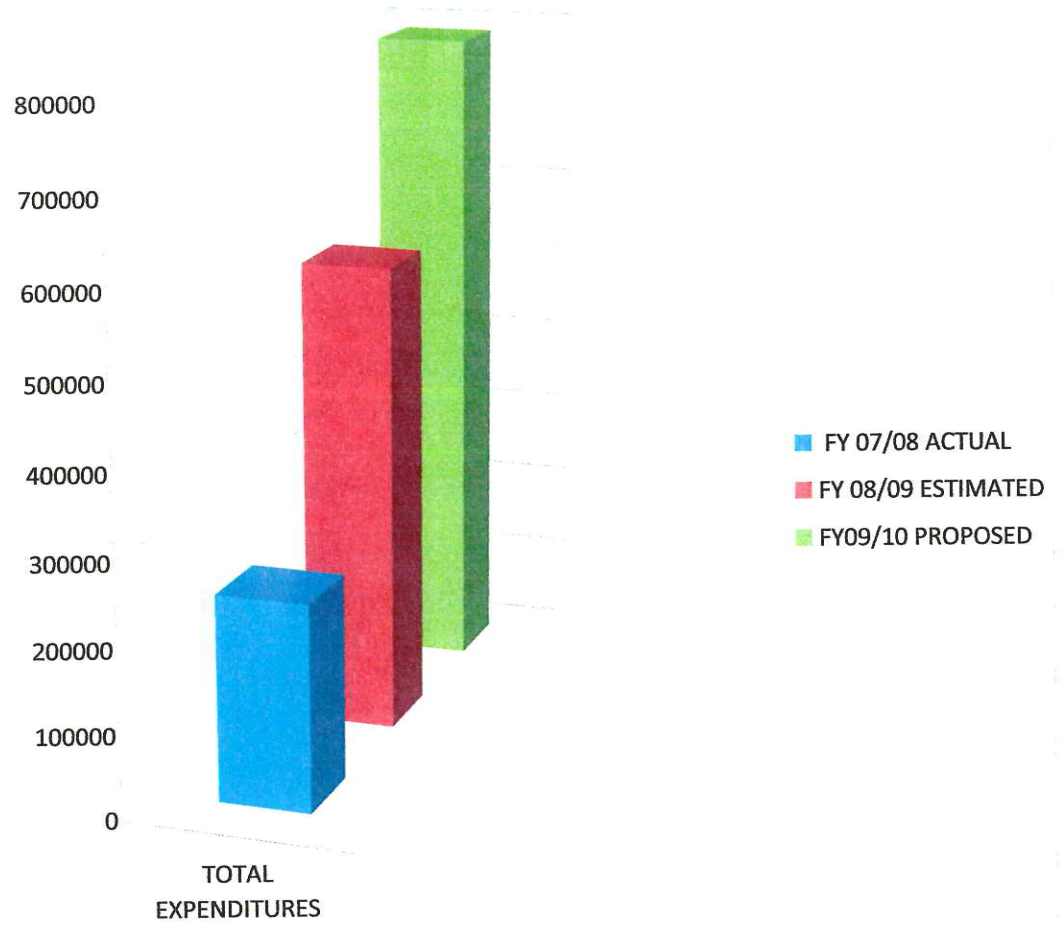
**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**MOTOR FUEL TAX FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 07/08</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 08/09</u></b> <b><u>BUDGET</u></b>	<b><u>FY 08/09</u></b> <b><u>ESTIMATED</u></b>	<b><u>FY 09/10</u></b> <b><u>PROPOSED</u></b>	<b>PERCENT</b> <b>CHANGE</b>
State Allotments	635,580	709,517	695,705	763,016	8%
Interest Income	<u>12,385</u>	<u>7,300</u>	<u>8,525</u>	<u>3,300</u>	-55%
<b>TOTAL REVENUE</b>	<b>647,965</b>	<b>716,817</b>	<b>704,230</b>	<b>766,316</b>	<b>7%</b>
 <b><u>EXPENDITURES</u></b>					
Streets and Sidewalks	0	350,000	310,794	500,000	43%
Debt Service-Douglas Road	0	361,000	251,882	287,249	100%
Public Improvements	<u>246,215</u>	<u>0</u>	<u>0</u>	<u>0</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>246,215</b>	<b>711,000</b>	<b>562,676</b>	<b>787,249</b>	<b>11%</b>
<b>Net Income(Loss)</b>	<b>401,750</b>	<b>5,817</b>	<b>141,554</b>	<b>(20,933)</b>	
 <b><u>Beginning Net Cash &amp; Fund Balance</u></b>			551,347	692,901	
<b><u>Ending Net Cash &amp; Fund Balance</u></b>			692,901	671,968	



# Village of Oswego Mortor Fuel Tax Fund Expenditures



Village of Oswego  
Fiscal Year '09/'10 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 782,395 feet of water main, 2,497 fire hydrants and several thousand feet of water service lines. In fiscal 08/09, the Public Works Department repaired 13 water main breaks, 12 water service lines, 22 fire hydrants were repaired and 1 was 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 627,853 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.

2008/2009 Water and Sewer Fund Objectives: Status

1. Continue hydrant and curb painting.

*This is ongoing annually and will continue in the spring with the seasonal & 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 lines on a monthly basis and they are jetted 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 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.*

8. Maintain well house radium process per EPA standards.

*This is an ongoing daily process at all of the well sites. This is monitored by the licensed water operators.*

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

*The manual is in final draft form awaiting review by legal and then will go to print for staff distribution.*

10. Complete purchases of any capital budgeted items.

*All items were purchased for FY 08/09. All items were purchased under proposed budget.*

11. Repair of inoperable b-boxes.

*This is an ongoing process throughout the Village.*

12. Continue rehab/relining program of old manholes in Brookside subdivision.

*This program began 2 years ago with 9 manholes being completed. The program will continue this season with additional manholes in the Village.*

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

*The architect firm has completed preliminary phase drawings. Recommendation will be made for a phase I construction to begin in 2009.*

14. Install meter read systems in all meter pits.

*This process was started at the school sites and will continue this spring at all other locations.*

#### **2009/2010 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 printing of safety manual for distribution.
10. Complete purchases of any capital budgeted items.
11. Complete repair of inoperable b-boxes.
12. Continue rehab/relining program of old manholes in Village.
13. Continue planning stages for P.W. Facility addition. Monitor proposed build out in 2009.
14. Complete meter read systems on all pit meters.

Water Pumpage by Month for the Last Three Fiscal Years

	<u>2008/2009</u>	<u>2007/2008</u>	<u>2006/2007</u>
May	77,067,000	100,235,000	80,134,000
June	82,442,000	109,048,000	96,075,000
July	102,904,000	93,738,000	101,354,000
August	104,054,000	80,368,000	94,758,000
September	84,958,000	91,580,000	73,892,000
October	71,395,000	83,065,000	68,883,000
November	64,707,000	66,439,000	60,678,000
December	70,391,000	65,357,000	60,753,000
January	70,315,000	63,063,000	61,549,000
February	59,492,000	54,670,000	57,215,000
March	n/a	63,853,000	58,221,000
April	<u>n/a</u>	<u>59,343,000</u>	<u>65,010,000</u>
<b>Totals:</b>	<b>787,725,000</b>	<b>930,759,000</b>	<b>878,522,000</b>

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

	<u>2008/2009</u>	<u>2007/2008</u>	<u>2006/2007</u>
May	10,139	9,624	8,838
July	10,176	9,789	9,021
September	10,256	9,863	9,161
November	10,274	9,941	9,336
January	10,290	10,020	9,421
March	10,310	10,061	9,483

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10Budget**

**WATER AND SEWER FUND REVENUE SUMMARY**

<u>REVENUE</u>	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>Charges for Service</b>					
Water	3,328,517	3,448,758	3,324,565	3,327,686	-4%
Sewer Maintenance	1,341,150	1,379,887	1,296,224	1,304,388	-5%
Water Tap on Fees	1,535,983	1,391,727	525,000	357,841	-74%
MXU Fees	209,073	139,173	78,000	35,785	-74%
Water Line Contribution	600	1,200	0	0	-100%
Sewer Line Contribution	600	1,200	0	0	-100%
Meter Sales	11,446	3,000	1,000	1,000	-67%
Inspections/Observations	25,932	6,957	10,750	1,962	-72%
Consumption Reports	23,482	30,000	30,000	30,000	0%
<b>Permits</b>	1,100	1,000	500	750	-25%
<b>Interest</b>	227,527	131,517	76,500	33,000	-75%
<b>Miscellaneous</b>	<u>85,459</u>	<u>1,000</u>	<u>200</u>	<u>1,000</u>	100%
<b>TOTAL REVENUE</b>	<b>6,790,869</b>	<b>6,535,419</b>	<b>5,342,739</b>	<b>5,093,412</b>	<b>-22%</b>
<b><u>Net Income(Loss)/Cash Basis</u></b>	<b>(412,747)</b>	<b>(668,196)</b>	<b>(1,471,507)</b>	<b>(2,027,694)</b>	<b>203%</b>

**STATEMENT OF CASH FLOWS**

**Other Financing Sources**

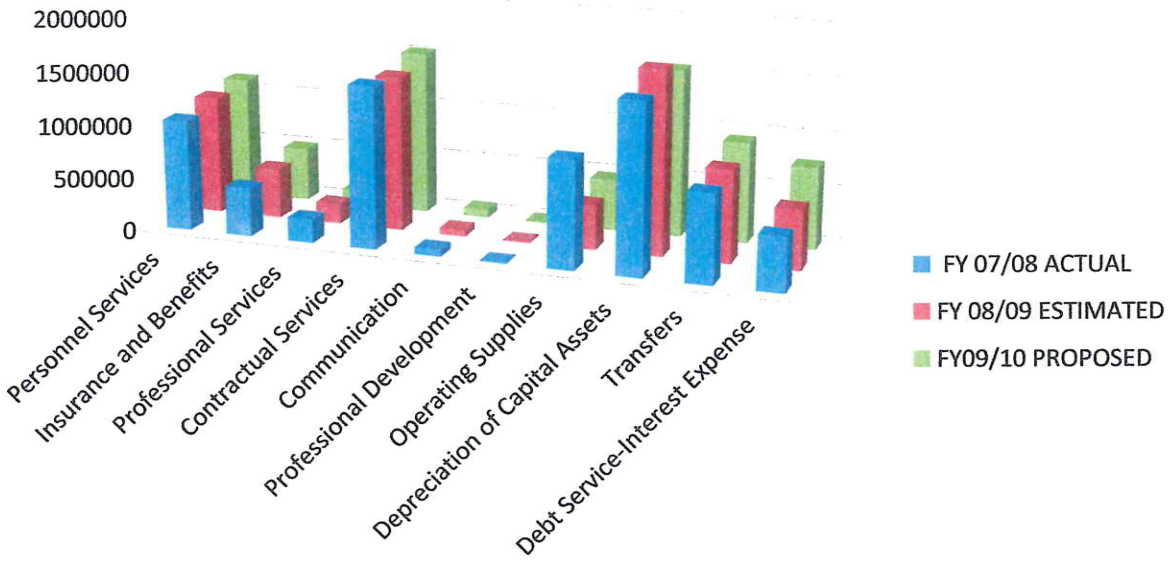
Developer Contribution				
Bond Proceeds			<b>6,900,000</b>	
Major Capital Outlay			<b>(723,000)</b>	<b>(6,750,000)</b>
Debt Principal			<b>(1,070,551)</b>	<b>(1,403,398)</b>
Depreciation			<u>1,703,720</u>	<u>1,556,351</u>
Cash Flow			5,338,662	(8,624,741)
<b><u>Beginning Net Cash</u></b>			3,597,269	8,935,931
<b><u>Ending Net Cash</u></b>			8,935,931	311,190

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**WATER AND SEWER FUND EXPENSE SUMMARY**

<u>EXPENSES</u>	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>Personnel Services</b>					
Salaries Full-Time	932,691	1,017,403	1,008,520	1,020,841	0%
Salaries Part-Time	35,898	55,700	34,500	55,700	0%
Overtime	59,982	40,000	60,000	50,000	25%
Stipends	<u>8,222</u>	<u>12,000</u>	<u>700</u>	<u>9,500</u>	-21%
<b>Total Personnel Services</b>	<b>1,036,793</b>	<b>1,125,103</b>	<b>1,103,720</b>	<b>1,136,041</b>	<b>1%</b>
<b>Insurance and Benefits</b>	455,155	469,431	467,111	500,956	7%
<b>Professional Services</b>	220,293	266,129	184,129	143,000	-46%
<b>Contractual Services</b>	1,511,051	1,565,624	1,445,841	1,527,875	-2%
<b>Communication</b>	63,407	73,000	62,000	71,000	-3%
<b>Professional Development</b>	9,786	12,500	12,500	12,500	0%
<b>Operating Supplies</b>	1,006,247	558,705	419,705	476,705	-15%
<b>Depreciation of Capital Assets</b>	1,575,517	1,703,720	1,703,720	1,556,651	-9%
<b>Transfers</b>	821,509	857,371	857,371	934,899	9%
<b>Debt Service-Interest Expense</b>	<u>503,856</u>	<u>558,149</u>	<u>558,149</u>	<u>761,479</u>	36%
<b>TOTAL EXPENSES</b>	<b>7,203,615</b>	<b>7,189,732</b>	<b>6,814,246</b>	<b>7,121,106</b>	<b>-1%</b>

# Village of Oswego Water & Sewer Fund Expenses





VILLAGE OF OSWEGO  
Fiscal Year '09/'10 Budget

Water and Sewer Fund

OPERATION AND MAINTENANCE

05-00

Personnel Services

50-6210	Salaries, Full-Time	1,020,841
50-6222	Salaries, Part-Time	55,700
50-6225	Stipends	8,500
50-6230	Overtime	50,000
50-6250	Meeting Stipend	<u>1,000</u>
	<b>Total Personnel Services</b>	<b>1,136,041</b>

Insurance and Benefits

51-6310	FICA	88,646
51-6315	IMRF	122,194
51-6330	Health Insurance	270,256
51-6335	Dental Insurance	<u>19,860</u>
	<b>Total Insurance and Benefits</b>	<b>500,956</b>

Professional Services

52-6480	Engineering Expense	100,000
	Consulting engineers for water study, sanitary capacity problems, etc.	
52-6520	Legal Services	10,000
	Consultation with Village, or others, attorneys	
52-6530	Miscellaneous Professional Services	
	Outsourcing of water bill printing	19,000
	Drug Screens	2,500
	Miscellaneous	<u>8,500</u>
	<b>Total Miscellaneous Professional Services</b>	<b>30,000</b>

52-8220	Registrar/Paying Agent Fees	<u>3,000</u>
	Fees for all Water and Sewer related debt	

	<b>Total Professional Services</b>	<b>143,000</b>
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**Contractual Services**

53-6500	General Insurance	43,375
	Illinois Municipal League Liability Insurance; life insurance	

53-6555	Rental Expense	5,000
	Rental of equipment for water main breaks, water or sewer line repair. Air compressors, skid loaders, etc.	

53-6585	Uniform Service	8,000
	Uniform rental service for Public Works staff	

53-6595	Water Analysis	15,000
	Water sampling in the Village that is done in-house	

53-6606	J.U.L.I.E.	15,000
	Underground utility location services	

53-6770	Pumping Expense, Electricity	625,000
	Electricity expense for wells 3, 4, 6, 7, 8, 9 and 10	

53-7310	Maintenance; Building	13,500
	Maintenance on well houses and lift stations	
	Security system fees	

53-7315	Maintenance; Equipment	43,000
	Maintenance and repair to public works vehicles or equipment associated with water and sewer	

53-7365	Maintenance; Safety Equipment	3,000
	Safety equipment for the chlorine rooms at the Village wells	

53-7375	Maintenance; Garage	4,000
	Maintenance at the old Public Works garage	

53-7380	Maintenance; Wells	250,000
	Maintenance and chemicals for wells 3, 4, 6, 7, 8, 9 and 10	

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>
	<b>Total Contractual Services</b>	<b>1,527,875</b>

**Communication**

54-6550	Printing Expense Printing of water bill forms	14,000
54-6715	Advertising, Bids and Records Advertising and bid award documents for water or sewer projects	2,000
54-6765	Postage and Freight Postage for water bills; EPA mandated consumer confidence report	30,000
54-6785	Telephone Expense All telecommunication expenses that include auto dialers for the SCADA system and lift stations; Nextel phones	<u>25,000</u>
	<b>Total Communication</b>	<b>71,000</b>

**Professional Development**

55-6566	Travel and Training Continuing education classes, local and out-of-state for water operators and staff.	10,000
55-6730	Dues American Water Works Association Illinois Rural Water Association Illinois Arborist Association	<u>2,500</u>
	<b>Total Professional Development</b>	<b>12,500</b>

**Operating Supplies**

56-6735	Gasoline Gasoline purchase for Public Works vehicles	65,000
56-6740	Office Supplies Day-to-day office supplies; i.e. pens, pencils, computer paper stationary, keys, etc.	8,000
56-6800	Equipment Community Water Supply Testing Fund Total Equipment	<u>12,705</u> 12,705
56-6806	Miscellaneous	5,000
56-7425	Maintenance, Supplies Inspector supplies; i.e. daily log books, file folders, maps	7,000
56-7445	Tool Expense Tools for vehicles, fire hydrants or water shut-offs	2,000
56-7835	Office Equipment Office equipment or furniture replacement	2,000
56-7840	Sidewalks	50,000
56-7892	Water Meter Supplies Water Meters for New Homes Water Meter Replacements Total Water Meter Supplies	50,000 <u>275,000</u> <u>325,000</u>
	<b>Total Operating Supplies</b>	<b>476,705</b>

Depreciation

57-7898	Depreciation - Fixed Asset Depreciation		<u>1,556,651</u>
	<b>Total Depreciation</b>		<b>1,556,651</b>

Transfers

58-8500	Transfers Out		
	Payments in Lieu of Property Taxes	474,656	
	Indirect Charge for Administrative Costs	<u>460,243</u>	
			<u>934,899</u>
	<b>Total Transfers</b>		<b>934,899</b>

Debt Service - Interest Expense

59-7900	Water Revolving Loan-Principal (1997 and 2004 IEPA loans)*		108,398
59-7901	Water Revolving Loan-Interest (1997 and 2004 IEPA loans)		40,469
59-8203	1997B Bond Payment-Principal*		400,000
59-8206	2004B Bond Payment - Principal*		100,000
59-8207	2004 Refunding Bond Payment - Principal*		270,000
59-8208	2006B Bond Payment - Principal*		100,000
59-8209	2007A Bond Payment - Principal*		125,000
59-8210	2009 Bond Payment - Principal*		300,000
59-8213	1997B Bond Payment-Interest		63,350
59-8215	2004B Bond Payment - Interest		86,313
59-8217	2004 Refunding Bond Payment - Interest		129,840
59-8218	2006B Bond Payment - Interest		59,232
59-8219	2007A Bond Payment - Interest		137,275
59-8220	2009 Bond Payment - Interest		<u>245,000</u>
	<b>Total Debt Service - Interest Expense</b>		<b>761,479</b>

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

**TOTAL WATER AND SEWER OPERATION AND MAINTENANCE** **7,121,106**

Village of Oswego  
Fiscal Year '09/'10 Budget

Water and Sewer Fund

CAPITAL IMPROVEMENTS IN THE WATER AND SEWER FUND

Capital improvement items will be capitalized. As such, they are budgeted but are not 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	
	One Ton Dump Truck w/Plow	<u>75,000</u>	
	Total Vehicle Purchase		240,000
57-8050	Utility System Improvements		
	New Well and Tower-West Side of Village	6,500,000	
	Manhole Relining Program	<u>10,000</u>	
	Total Utility System Improvements		<u>6,510,000</u>
	<b>Total Capital Improvements</b>		<b>6,750,000</b>

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**Village of Oswego  
Fiscal Year '09/'10 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 \$3.31 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 2008/2009, Village residents paid \$17.56 per month for regular residential service and \$13.57 per month for senior citizen residential. These services are billed bi-monthly. The contractual obligation for the Village was \$17.06 per month for regular residential and \$13.05 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 \$2.15 each. The new rates, effective July 1, 2009, will be \$18.42 per month for regular residential service, \$14.22 for senior service and \$2.26 for a yard waste sticker.

**Fiscal Year 2008/2009 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 recover costs.

*This is an ongoing objective*

**Fiscal Year 2009/2010 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

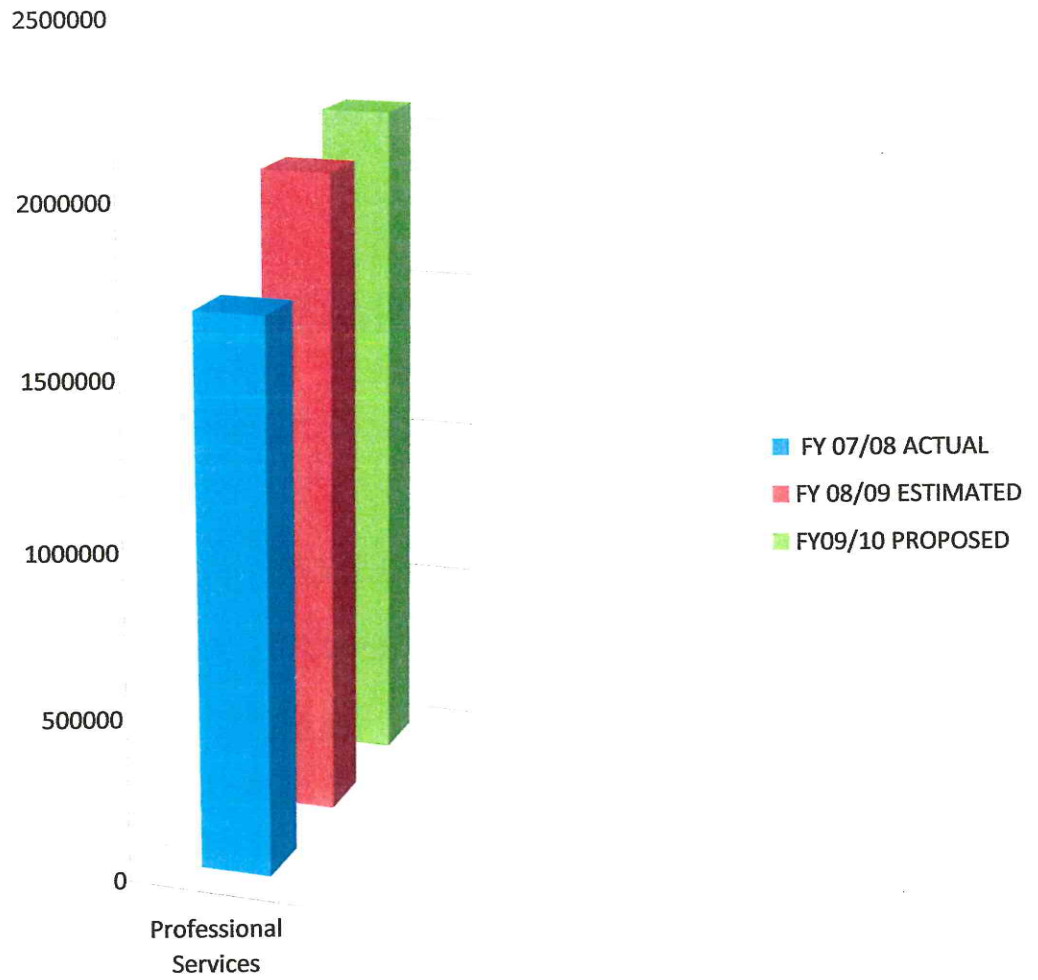
	<u>2008/2009</u>	<u>2007/2008</u>	<u>2006/2007</u>
May	9,379	8,910	8,259
July	9,403	9,024	8,389
September	9,418	9,115	8,503
November	9,470	9,121	8,625
January	9,530	9,219	8,744
March	9,560	9,260	8,769

VILLAGE OF OSWEGO  
Fiscal Year '09/'10 Budget

GARBAGE COLLECTION FUND SUMMARY

<u>REVENUES</u>	<u>FY 07/08 ACTUAL</u>	<u>FY 08/09 BUDGET</u>	<u>FY 08/09 ESTIMATED</u>	<u>FY 09/10 PROPOSED</u>	<u>PERCENT CHANGE</u>
<b>Charges for Services</b>					
Disposal Fees	1,734,881	1,998,732	1,998,732	2,093,412	5%
Waste Stickers and Bins	1,988	2,500	2,000	2,000	-20%
<b>Interest</b>	<u>557</u>	<u>0</u>	<u>350</u>	<u>0</u>	0%
<b>TOTAL REVENUE</b>	<b>1,737,426</b>	<b>2,001,232</b>	<b>2,001,082</b>	<b>2,095,412</b>	<b>5%</b>
 <b><u>EXPENSES</u></b>					
<b>Professional Services</b>					
Disposal Service	<u>1,675,620</u>	<u>1,982,701</u>	<u>1,982,701</u>	<u>2,076,622</u>	5%
<b>TOTAL EXPENSES</b>	<b>1,675,620</b>	<b>1,982,701</b>	<b>1,982,701</b>	<b>2,076,622</b>	<b>5%</b>
<b>Net Income(Loss)</b>	<b>61,806</b>	<b>18,531</b>	<b>18,381</b>	<b>18,790</b>	<b>1%</b>
 <u>Beginning Net Cash and Net Assets</u>			305,913	324,294	
<u>Ending Net Cash and Net Assets</u>			324,294	343,084	

# Village of Oswego Garbage Collection Fund Expenses



**Village of Oswego  
Fiscal Year '09/'10 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. The inclusion of these capital projects within departments of the General Fund would serve to distort the true operating costs of those respective departments.

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

There are three major capital projects the Village will be accounting for in Fiscal Year 2009/2010. The first started in Fiscal Year 2007/2008 and it is the continuation of the Douglas Road widening project. \$2,500,000 is budgeted to complete the project. \$2,000,000 is for the actual road project and \$500,000 is for street lighting. The second project is the crosswalks for Orchard Road at a cost of \$50,000. The Kendall County transportation fee will pay for some of this project and the Village's road impact fee will pay for the remainder. The third project is the last item for the new Village Hall which is the purchase of video production equipment for televising Village Board meetings as well as allowing for local productions of Village events that will be broadcast on the Village's local cable television government channel. The Village has been working with the Oswego School District in a joint project to get this televising project off and running and it has required substantial time and effort to get it completed. The ongoing operations of the televising of Village meetings will be accounted for in the Corporate department of the General Fund for all years going forward. However, the purchase of this equipment is the last piece of equipment from the new Village Hall construction project that has been accounted for from the Capital Improvement Fund.

**2008/2009 Capital Improvement Fund Objectives: Status**

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

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

2. Begin the accounting for the new police facility, if needed.

*This objective has yet to happen.*

#### **2009/2010 Capital Improvement Fund Objectives**

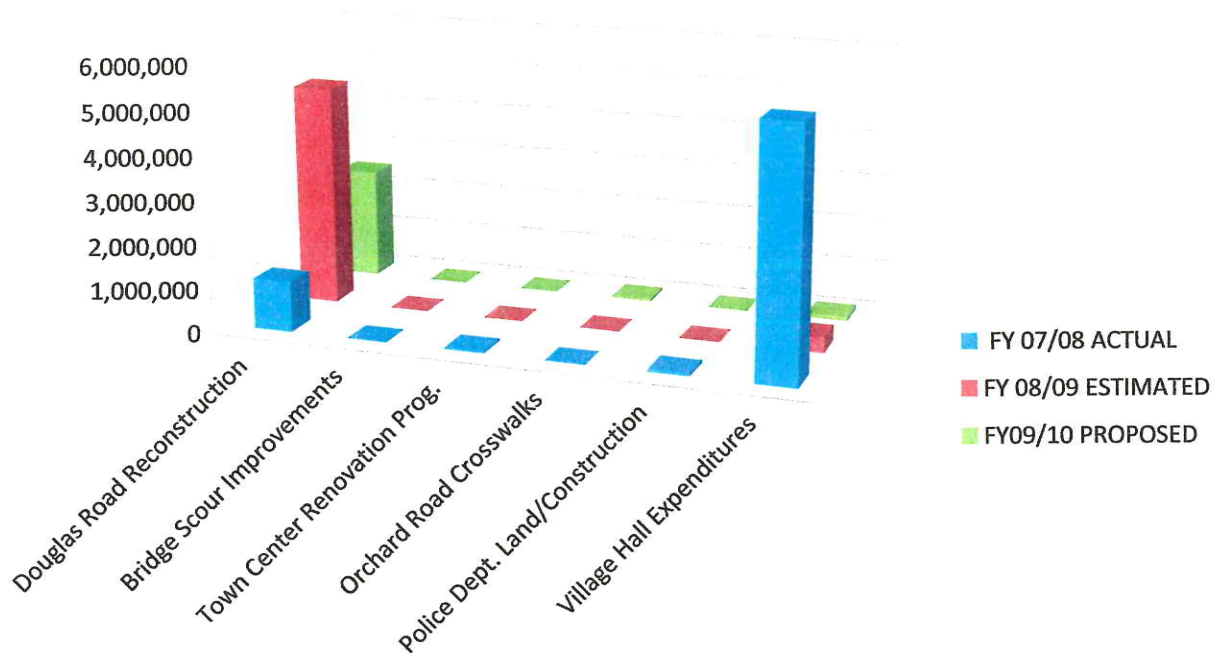
1. Continue to properly account for all capital projects for the Village of Oswego.

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**CAPITAL IMPROVEMENT FUND SUMMARY**

<u>REVENUES</u>	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
Bond Proceeds	5,952,000	7,400,000	0	2,000,000	-73%
Roadway Improvement Fees	127,142	120,239	60,000	29,966	-75%
Grant Proceeds	0	1,900,000	750,000	0	-100%
Miscellaneous	10,000	0	0	0	0%
Interest	<u>241,329</u>	<u>125,000</u>	<u>103,000</u>	<u>77,000</u>	-38%
<b>TOTAL REVENUE</b>	<b>6,330,471</b>	<b>9,545,239</b>	<b>913,000</b>	<b>2,106,966</b>	<b>-78%</b>
 <b><u>EXPENDITURES</u></b>					
<b>Capital Improvements</b>					
Douglas Road Reconstruction	1,143,342	9,000,000	5,000,000	2,500,000	-72%
Bridge Scour Improvements	15,862	0	0	0	N/A
Town Center Renovation Prog.	42,711	0	0	0	N/A
Orchard Road Crosswalks	0	0	0	50,000	N/A
Police Dept. Land/Construction	62,903	5,900,000	0	0	-100%
Village Hall Expenditures	<u>5,566,250</u>	<u>0</u>	<u>350,000</u>	<u>95,000</u>	N/A
<b>TOTAL EXPENDITURES</b>	<b>6,831,068</b>	<b>14,900,000</b>	<b>5,350,000</b>	<b>2,645,000</b>	<b>-82%</b>
<b>Net Income(Loss)</b>	<b>(500,596)</b>	<b>(5,354,761)</b>	<b>(4,437,000)</b>	<b>(538,034)</b>	
<b><u>Beginning Fund Balance</u></b>			6,349,186	1,912,186	
<b><u>Ending Fund Balance</u></b>			1,912,186	1,374,152	

## Village of Oswego Capital Improvement Fund Expenditures



**Village of Oswego  
Fiscal Year '09/'10 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 audited fiscal years:

<u>Fiscal Year</u>	<u>Outstanding Debt</u>
03/04	8,539,714
04/05	15,271,377
05/06	14,432,504
06/07	25,153,982
07/08	33,269,310

The April 30, 2008 outstanding debt is related to the following funds:

Debt Service-General Fund	18,530,000
Water and Sewer Fund	<u>14,739,310</u>
	<b>33,269,310</b>

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

Series 1997B	2,000,000
Series 2004	3,835,000
Series 2004A	2,935,000
Series 2004B	2,235,000
Series 2006A	9,595,000
Series 2006B	1,485,000
Series 2007A	3,500,000
Series 2007B	6,000,000
I.E.P.A. Loan	<u>1,684,310</u>
	<b>33,269,310</b>

The above balances are as of April 30, 2008, 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>
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	\$ 29,925,000	\$ 1,227,260	\$ 11,719,975	\$42,872,235

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, 2008.

**April 30, 2008**

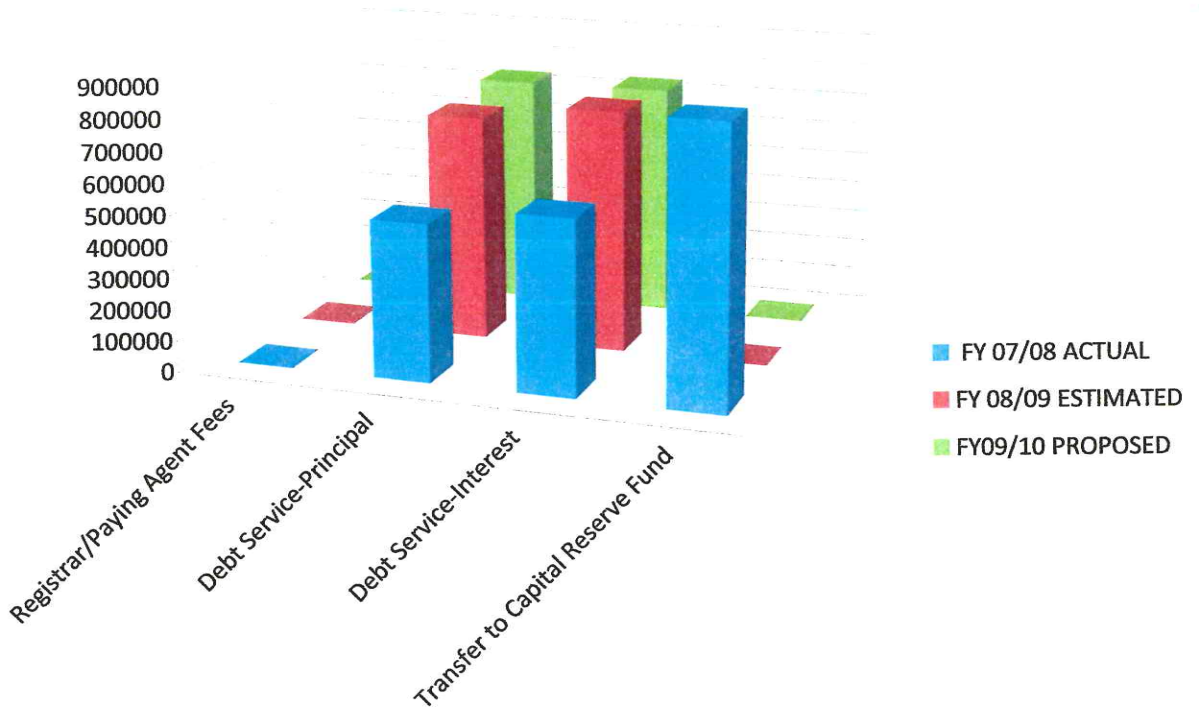
Total Equalized Assessed Valuation (EAV) – 2007 Tax Year	\$ 835,403,862
<b>Legal Debt Limit</b>	
<b>Debt Limitation – 8.625% of EAV</b>	<b>\$ 72,053,583</b>
Debt Applicable to Limitation:	
General Obligation Bonds, Series 2004A	2,935,000
General Obligation Bonds, Series 2006A	9,595,000
General Obligation Bonds, Series 2007B	<u>6,000,000</u>
Total Debt Applicable to Limitation	<u>18,530,000</u>
<b>Legal Debt Margin</b>	<b><u>\$ 53,523,583</u></b>

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**DEBT SERVICE FUND SUMMARY**

<u>REVENUES</u>	<u>FY 07/08</u> <u>ACTUAL</u>	<u>FY 08/09</u> <u>BUDGET</u>	<u>FY 08/09</u> <u>ESTIMATED</u>	<u>FY 09/10</u> <u>PROPOSED</u>	<u>PERCENT</u> <u>CHANGE</u>
Sales Taxes	261,933	443,866	443,866	355,864	-20%
Transfers from Other Funds	350,000	83,613	83,613	154,489	85%
Transfer from MFT-Douglas Rd.	0	361,000	251,882	287,249	-20%
Transfer from Capital Reserve Fund	0	685,182	685,182	684,020	0%
Interest	<u>44,083</u>	<u>1,400</u>	<u>4,500</u>	<u>2,250</u>	61%
<b>TOTAL REVENUE</b>	<b>656,016</b>	<b>1,575,061</b>	<b>1,469,043</b>	<b>1,483,872</b>	<b>-6%</b>
 <b><u>EXPENDITURES</u></b>					
Registrar/Paying Agent Fees	1,625	1,800	1,800	1,800	0%
Debt Service-Principal	500,000	720,000	720,000	740,000	3%
Debt Service-Interest	555,028	770,047	770,047	741,621	-4%
Transfer to Capital Reserve Fund	<u>874,252</u>	<u>0</u>	<u>0</u>	<u>0</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>1,930,905</b>	<b>1,491,847</b>	<b>1,491,847</b>	<b>1,483,421</b>	<b>-1%</b>
<b>Net Income(Loss)</b>	<b>(1,274,889)</b>	<b>83,214</b>	<b>(22,804)</b>	<b>451</b>	
 <b><u>Beginning Fund Balance</u></b>			<b>28,958</b>	<b>6,154</b>	
<b><u>Ending Fund Balance</u></b>			<b>6,154</b>	<b>6,605</b>	

# Village of Oswego Debt Service Fund Expenditures



Village of Oswego  
Fiscal Year '09/'10 Budget

Debt Service Fund

20-00

Professional Services

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

Debt Service

59-8200	Debt Principal		
	2004A	125,000	
	2006A - Village Hall	341,040	
	2006A - Town Center	58,960	
	2007B - Douglas Road	<u>215,000</u>	
	<b>Total Debt Principal</b>		<b>740,000</b>
59-8201	Bond Payments-Interest		
	2004A	112,609	
	2006A - Village Hall	342,980	
	2006A - Town Center	59,295	
	2007B - Douglas Road	<u>226,738</u>	
	<b>Total Bond Payments-Interest</b>		<b><u>741,621</u></b>
	<b>Total Debt Service</b>		<b>1,481,621</b>
	<b>TOTAL DEBT SERVICE</b>		<b>1,483,421</b>

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Village of Oswego  
Fiscal Year '09/'10 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. However, as Transition Fees have shrunk over the last two fiscal years, other General Fund operating revenues make up the remaining balance of this transfer.

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. 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.

2008/2009 Capital Reserve Fund Objectives: Status

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

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

2009/2010 Capital Reserve Fund Objectives

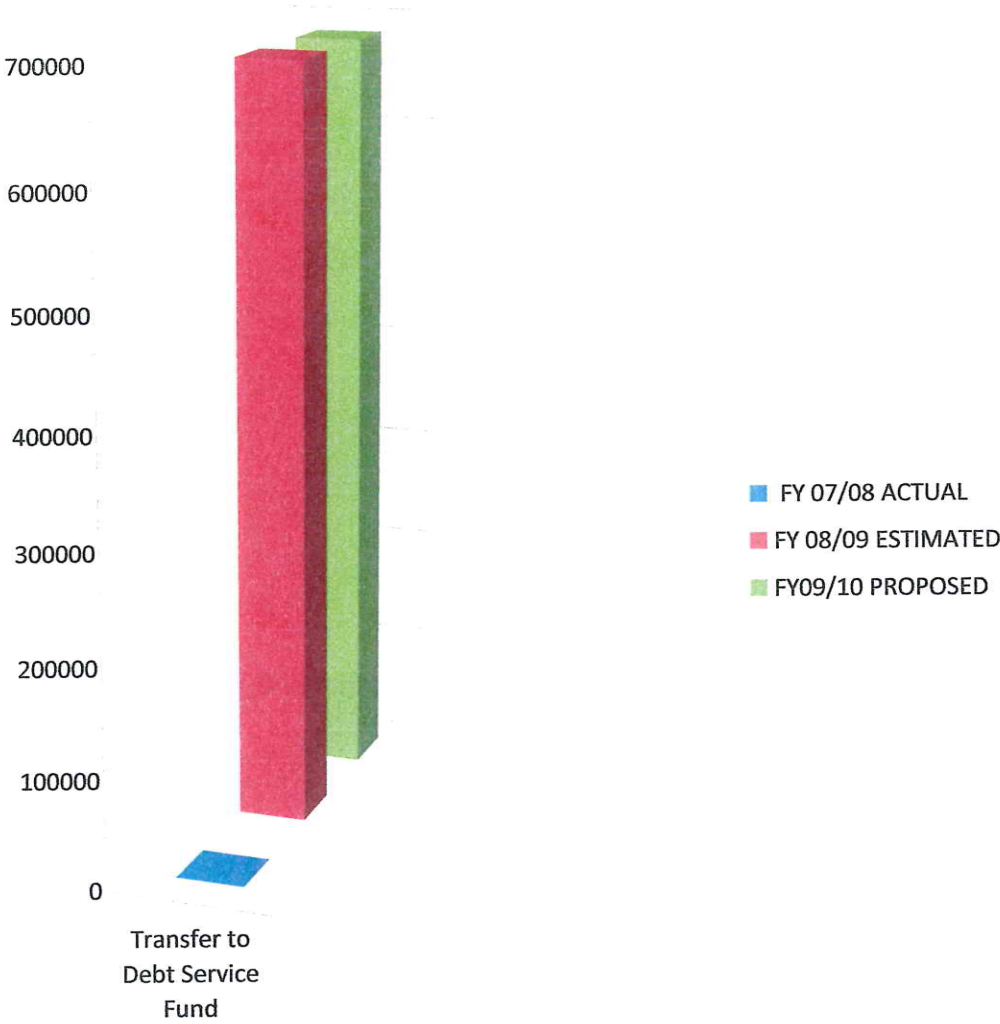
1. Continue to properly account for the transfers in and out to pay for the 2006A bonds issued for the new Village Hall.

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**CAPITAL RESERVE FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 07/08</u></b>	<b><u>FY 08/09</u></b>	<b><u>FY 08/09</u></b>	<b><u>FY 09/10</u></b>	<b><u>PERCENT</u></b>
	<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b><u>ESTIMATED</u></b>	<b><u>PROPOSED</u></b>	<b><u>CHANGE</u></b>
Transfers from Debt Service Fund	874,252	0	0	0	0%
Transfer from General Fund	0	400,000	400,000	450,000	13%
Interest	<u>1,308</u>	<u>15,500</u>	<u>14,725</u>	<u>4,500</u>	-71%
<b>TOTAL REVENUE</b>	<b>875,560</b>	<b>415,500</b>	<b>414,725</b>	<b>454,500</b>	<b>9%</b>
<b><u>EXPENDITURES</u></b>					
Transfer to Debt Service Fund	<u>0</u>	<u>685,182</u>	<u>685,182</u>	<u>684,020</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>685,182</b>	<b>685,182</b>	<b>684,020</b>	<b>0%</b>
<b>Net Income(Loss)</b>	<b>875,560</b>	<b>(269,682)</b>	<b>(270,457)</b>	<b>(229,520)</b>	<b>-15%</b>
<b><u>Beginning Fund Balance</u></b>			875,560	605,103	
<b><u>Ending Fund Balance</u></b>			605,103	375,583	

# Village of Oswego Capital Reserve Fund Expenditures





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**Village of Oswego  
Fiscal Year '09/'10 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, 2008 showed that the Police Pension Fund had a funding level of 58.3% and a return on its investment of 4.57% for the fiscal year.

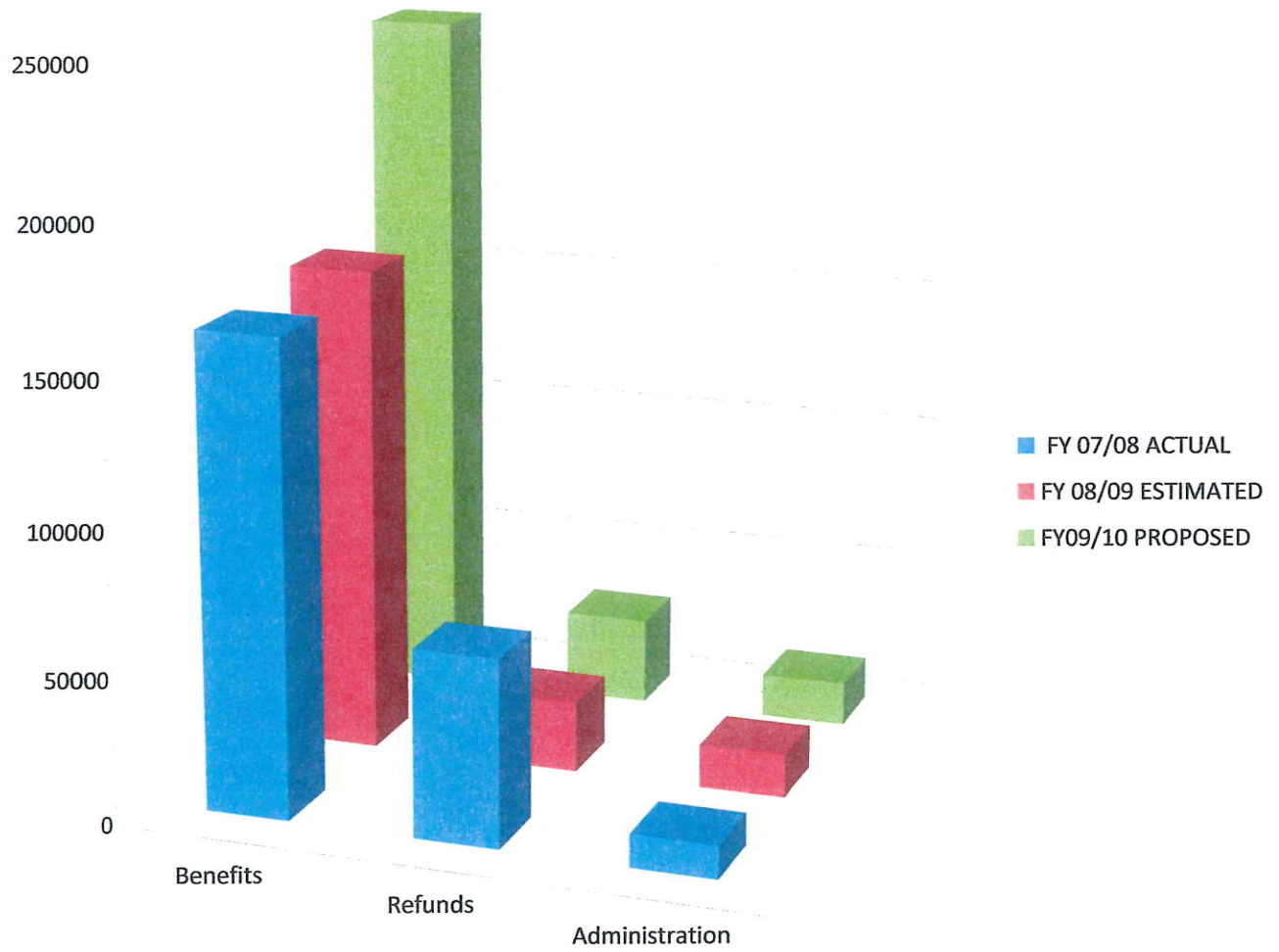
As of April 30, 2009 the Police Pension Fund has only three retirees. There is one additional retiree planned for FY 09/10. It is anticipated that this Fund will have minimal additional retirement obligations for the near future, thus enabling the funding level to grow to a healthier amount.

**VILLAGE OF OSWEGO**  
**Fiscal Year '09/'10 Budget**

**POLICE PENSION FUND SUMMARY**

<b><u>REVENUES</u></b>	<b><u>FY 07/08</u></b>	<b><u>FY 08/09</u></b>	<b><u>FY 08/09</u></b>	<b><u>FY 09/10</u></b>	<b>PERCENT</b>
	<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b><u>ESTIMATED</u></b>	<b><u>PROPOSED</u></b>	<b>CHANGE</b>
Employer Contribution					
Property Taxes	728,387	752,163	752,002	890,070	18%
Employee Contributions	394,315	371,215	533,615	391,469	5%
Realized Gain/Loss	128,787	0	(1,000,000)	100,000	N/A
Interest Income	<u>201,663</u>	<u>551,949</u>	<u>235,000</u>	<u>170,000</u>	-69%
<b>TOTAL REVENUES</b>	<b>1,453,152</b>	<b>1,675,327</b>	<b>520,617</b>	<b>1,551,539</b>	<b>-7%</b>
<b><u>EXPENDITURES</u></b>					
Benefits	163,199	221,131	168,100	240,643	9%
Refunds	64,364	15,000	24,310	30,000	100%
Administration	<u>11,378</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	0%
<b>TOTAL EXPENDITURES</b>	<b>238,941</b>	<b>251,131</b>	<b>207,410</b>	<b>285,643</b>	<b>14%</b>
Beginning Net Assets			7,998,615	8,311,822	
Ending Net Assets			8,311,822	9,577,718	

# Village of Oswego Police Pension Fund Expenditures



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**Village of Oswego  
Fiscal Year '09/'10 Budget**

**GLOSSARY OF TERMS**

<b>ACCOUNT</b>	A term used to identify an individual asset, liability, expenditure control, revenue control or fund balance.
<b>ACCOUNTING SYSTEM</b>	The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, fund types, balanced account groups, or organizational components.
<b>ACTIVITY</b>	The smallest unit of budgetary accountability and control which encompasses specific and distinguishable lines of work performed by an organizational unit for the purpose of accomplishing a function for which the Village is responsible.
<b>AICPA</b>	American Institute of Certified Public Accountants
<b>APA</b>	American Planning Association
<b>ASSETS</b>	Property owned by a government which has a monetary value.
<b>ASSESSED VALUATION</b>	A valuation set upon real estate or other property by the County Assessor as a basis for levying taxes.
<b>BOCA</b>	Building Officials Code Administrators
<b>BOND</b>	A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.
<b>BONDED DEBT</b>	That portion of indebtedness represented by outstanding bonds.
<b>BUDGET</b>	A one year financial document embodying an estimate of proposed revenue and expenditures for the year. The Village is required by State Statute to approve a budget, and the approved budget sets the legal spending limits of the Village. It is the primary means by which most

	of the expenditures and service levels of the Village are controlled.
<b>BUDGET AMENDMENT</b>	A legal procedure utilized by the Village staff and Village Board to revise the budget.
<b>BUDGET DOCUMENT</b>	The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the Village Board.
<b>BUDGET MESSAGE</b>	A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.
<b>BUDGET ORDINANCE</b>	The official enactment, by the Village Board to legally authorize Village staff to obligate and expend resources.
<b>BUDGETARY CONTROL</b>	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.
<b>CAFR</b>	Comprehensive Annual Financial Report or Certificate of Achievement in Financial Reporting
<b>CALEA</b>	Commission for Accreditation on Law Enforcement Agencies
<b>CAPITAL ASSETS</b>	Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.
<b>CAPITAL BUDGET</b>	A plan of proposed capital outlays and the means of financing them for the current fiscal period.
<b>CAPITAL OUTLAY/ EXPENDITURE</b>	Expenditures which result in the acquisition of, or addition to, fixed assets.
<b>CAPITAL IMPROVEMENT FUND</b>	A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.
<b>CAPITAL PROJECTS FUND</b>	A fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

<b>CAPITAL RESERVE FUND</b>	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.
<b>CHART OF ACCOUNTS</b>	The classification system used by the Village to organize the accounting for various funds.
<b>COMMISSARY EXPENSES</b>	Consumable items used by Village departments. Examples include office supplies, replacement parts for equipment, and gasoline.
<b>CONTINGENCY</b>	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
<b>CONTRACTUAL SERVICES</b>	Services rendered to Village departments and agencies by private firms, individuals, or other government agencies. Examples include utilities, insurance, and professional services.
<b>C.O.W. or COW</b>	Committee of the Whole
<b>CSO</b>	Community Service Officer
<b>DARE</b>	Drug Abuse Resistance Education
<b>DEBT SERVICE FUND</b>	A fund established to finance and account for the accumulations of resources for, and the payment of, general long-term debt principal and interest.
<b>DEBT SERVICE REQUIREMENTS</b>	The amounts of revenue which must be provided for a debt service fund so that all principal and interest payments can be made in full and on schedule.
<b>DEFICIT</b>	(1) The excess of an entity's liabilities over its assets (See Fund Balance). (2) The excess of expenditures or expenses over revenues during a single accounting period.
<b>DEPARTMENT</b>	A major administrative organizational unit of the Village which indicates overall management responsibility for one or more activities.
<b>DEPRECIATION</b>	(1) Expiration in service life of fixed assets, other than wasting assets, attributable to wear and tear through use and lapse of time, obsolescence, inadequacy, or the



physical or functional cause. (2) The portion of the cost of a fixed asset charged as an expense during a particular period. NOTE: The cost of such asset prorated over the estimated service life of such asset and each period is charged with part of such cost so that ultimately the entire cost of the asset is charged off as an expense.

**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.

<b>FISCAL YEAR</b>	A twelve-month period of time to which the annual budget applies and at the end of which a municipality determines its financial position and results of operations. The Village of Oswego has specified May 1 to April 30 as its fiscal year.
<b>FIXED ASSETS</b>	Assets of a long-term character in which the intent is to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
<b>FTE</b>	Full Time Equivalent
<b>FTO</b>	Field Training Officer
<b>FULL FAITH &amp; CREDIT</b>	A pledge of the general taxing power of the government to repay debt obligations (typically used in reference to bonds).
<b>FUND</b>	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
<b>FUND ACCOUNTS</b>	All accounts necessary to set forth the financial operations and financial conditions of a fund.
<b>FUND BALANCE GENERAL FUND</b>	The excess of a fund's assets over its liabilities and reserves. The fund that is available for any legal authorized purposes and which is therefore used to account for all revenues and all activities except those required to be accounted for in another fund. NOTE: The General Fund is used to finance the ordinary operations of a government unit.
<b>GASB</b>	Governmental Accounting Standards Board
<b>GENERAL OBLIGATION BONDS</b>	Bonds for whose payments the full faith and credit of the issuing body are pledged. More commonly, but not necessarily, general obligation bonds are considered to be those from taxes and other general revenues.
<b>GFOA</b>	Government Finance Officers Association
<b>GIS</b>	Geographic Information System
<b>GLTD</b>	General Long-term Debt

<b>GOAL</b>	A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given period.
<b>GOVERNMENTAL FUNDS</b>	Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.
<b>GPS</b>	Global Positioning System
<b>GRANT</b>	A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function, but it is sometimes also for general purposes.
<b>GREAT GRANT</b>	Gang Resistance Education And Training federal grant
<b>HOA</b>	Home Owners Association
<b>IAMMA</b>	Illinois Association of Municipal Management Assistants
<b>ICC</b>	International Code Council
<b>ICMA</b>	International City Managers Association
<b>ICSC</b>	International Council of Shopping Centers
<b>IDOT</b>	Illinois Department of Transportation
<b>IEPA</b>	Illinois Environmental Protection Agency
<b>ILCMA</b>	Illinois City Managers Association
<b>IML</b>	Illinois Municipal League
<b>IMRF</b>	Illinois Municipal Retirement Fund - a retirement fund covering Illinois municipal employees
<b>INCOME</b>	This term is used in accounting for governmental enterprises and represents the excess of the revenues earned over the expenses incurred in carrying on particular phases of an enterprise's activities. As indicated elsewhere, the excess of the TOTAL revenues over the TOTAL expenses of the utility for a particular accounting period is called "net income."

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

<b>PROPERTY TAX</b>	Property taxes are levied on real property according to the property's valuation and the tax rate.
<b>PROPRIETARY FUNDS</b>	Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. There are two different types of proprietary funds: enterprise and internal service funds.
<b>RFP</b>	Request For Proposals
<b>RESERVE</b>	An account used to indicate that a portion of a fund balance is restricted for a specific purpose.
<b>RETAINED EARNINGS</b>	An equity account reflecting the accumulated earnings of the Village's enterprise funds.
<b>REVENUES</b>	Funds that the government receives as income.
<b>SCADA</b>	Supervisory Control and Data Acquisition Computerized system of monitoring water flow and levels at the water plant.
<b>SINKING FUND</b>	A term used to express the amount of funds accumulated to pay for a specific purpose. Usually associated with debt or capital projects.
<b>SPECIAL REVENUE FUNDS</b>	A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
<b>SRT</b>	Special Response Team
<b>TAXES</b>	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.
<b>TAX LEVY</b>	The total amount to be raised by general property taxes for operating and debt service purposes specified in the Tax Levy Ordinance.
<b>TAX LEVY ORDINANCE</b>	An ordinance by means of which taxes are levied.
<b>TIF</b>	Tax Increment Financing

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.