



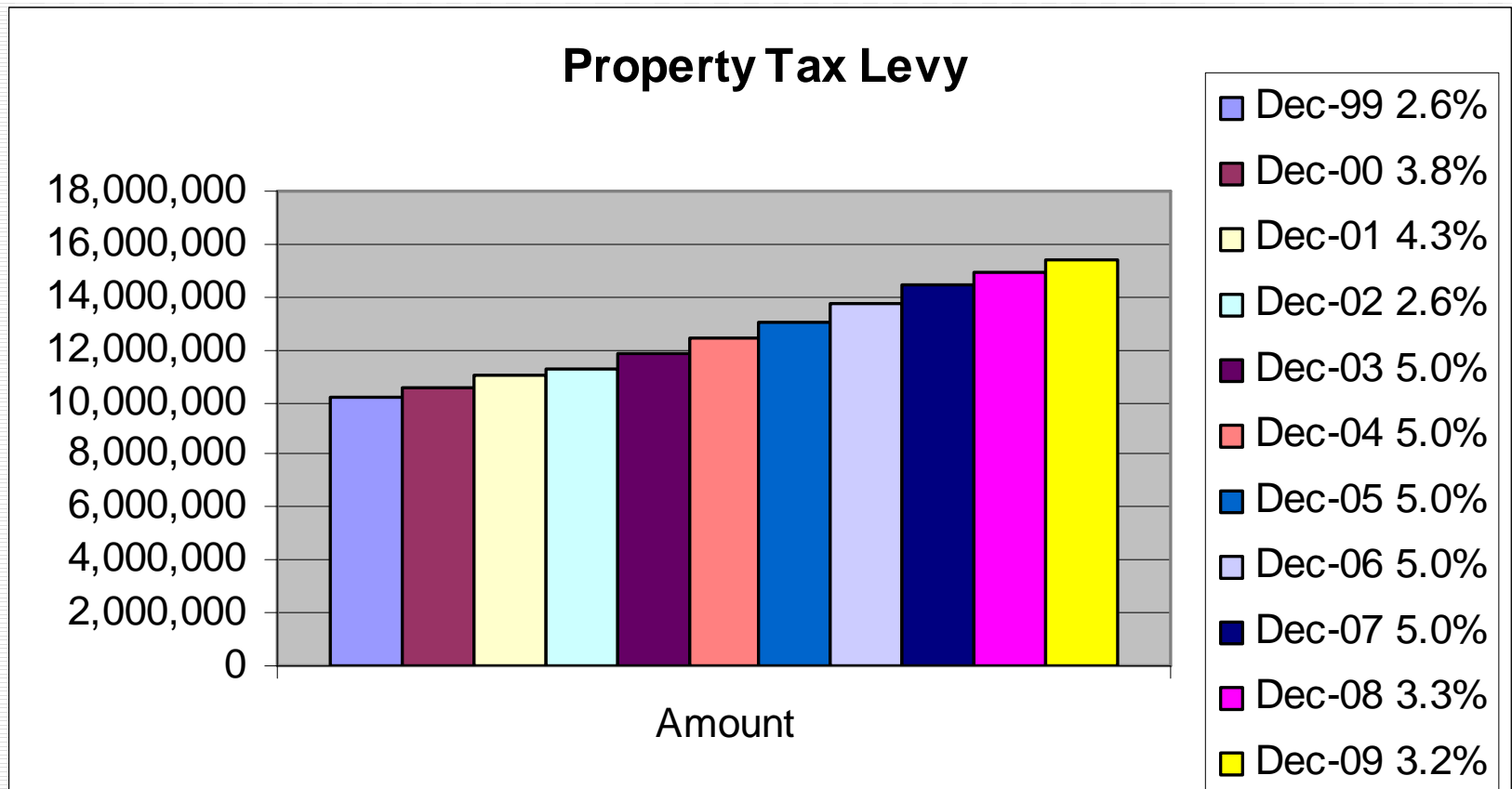
Budget Workshop

January 16, 2010

STRATEGIC GOALS

GOAL	PRIORITY
Goal #1: Budget Plan	
Goal #2: Capital Plan	
Goal #3: Economic Development Strategy	
Goal #4: Economic Development Tool Kit	
Goal #5: Streets	
Goal #6: Sewers	
Goal #7: Police Station	
Goal #8: Traffic Flow	
Goal #9: Social Services	
Goal #10: Committee of the Whole	
Goal #11: Courtesy Program	
Goal #12: 2025	

Property Tax Levy History



Cuts to the 2009/2010 Budget

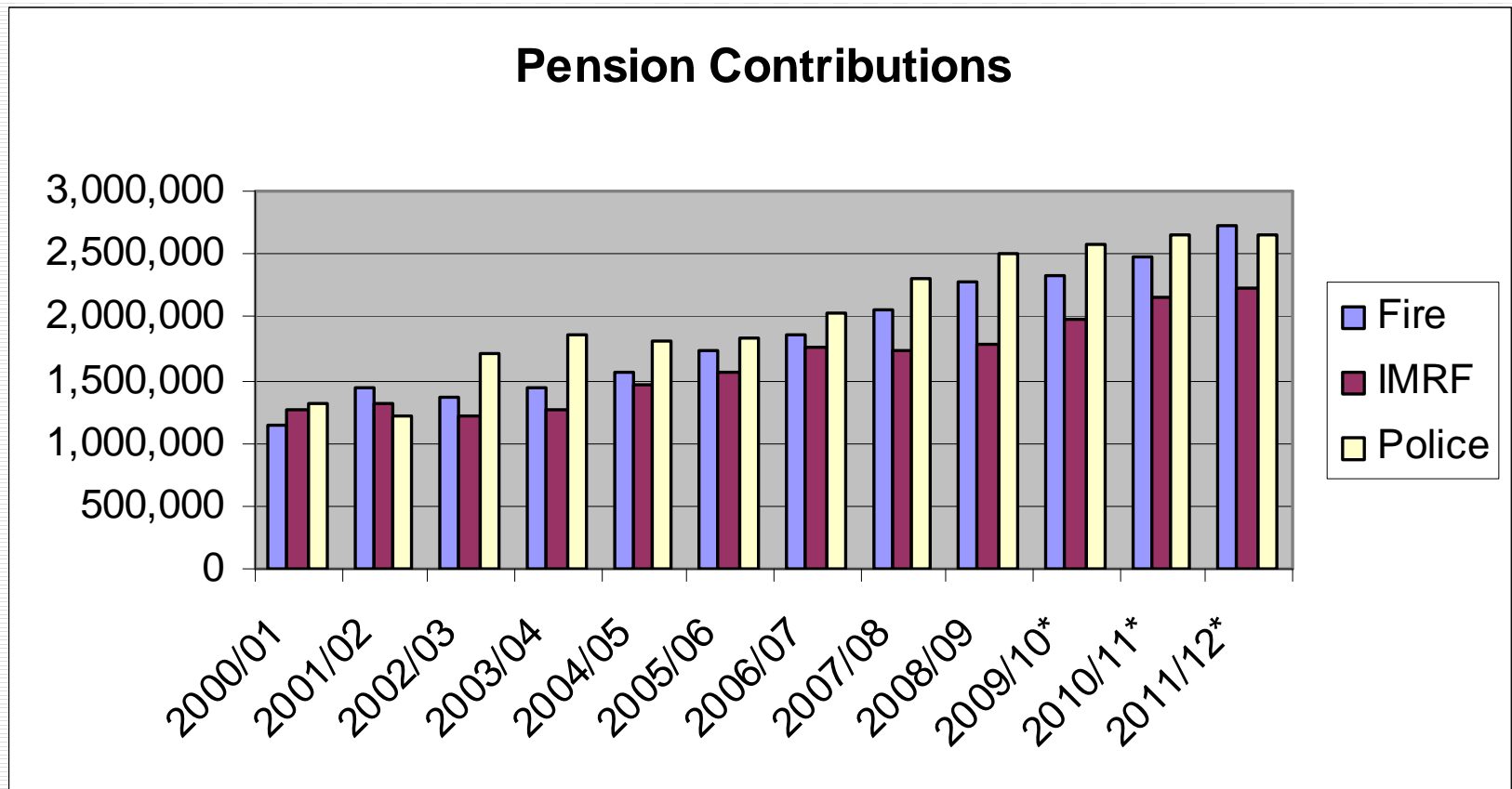
- Employee wage and step freezes
- Eliminated the Urban Forester, Fire Inspector, Purchasing Agent and four Public Works employees
- 3 alley projects that were promised to residents
- Contingency cut(3P Manual states CM can propose 1% of budget)
- Christmas lights
- TIF Main Street Plan
- Higgins Corridor
- Salary study
- Historical building inventory
- CP&D aerial photography
- Stop removal of vermin
- Eliminated cash for garden/beautification awards
- Changed the mandatory sidewalk program from City pays 100% to 50% City/50% resident
- Eliminated part-time seasonal except for 4 "sewer drain cleaners" in PW
- Cut tuition reimbursement, training and cancelled all employee appreciation events
- Restricted material purchases
- Trimmed *Spokesman* size
- Eliminated bottled water, coffee and plants in buildings

Pension Increases

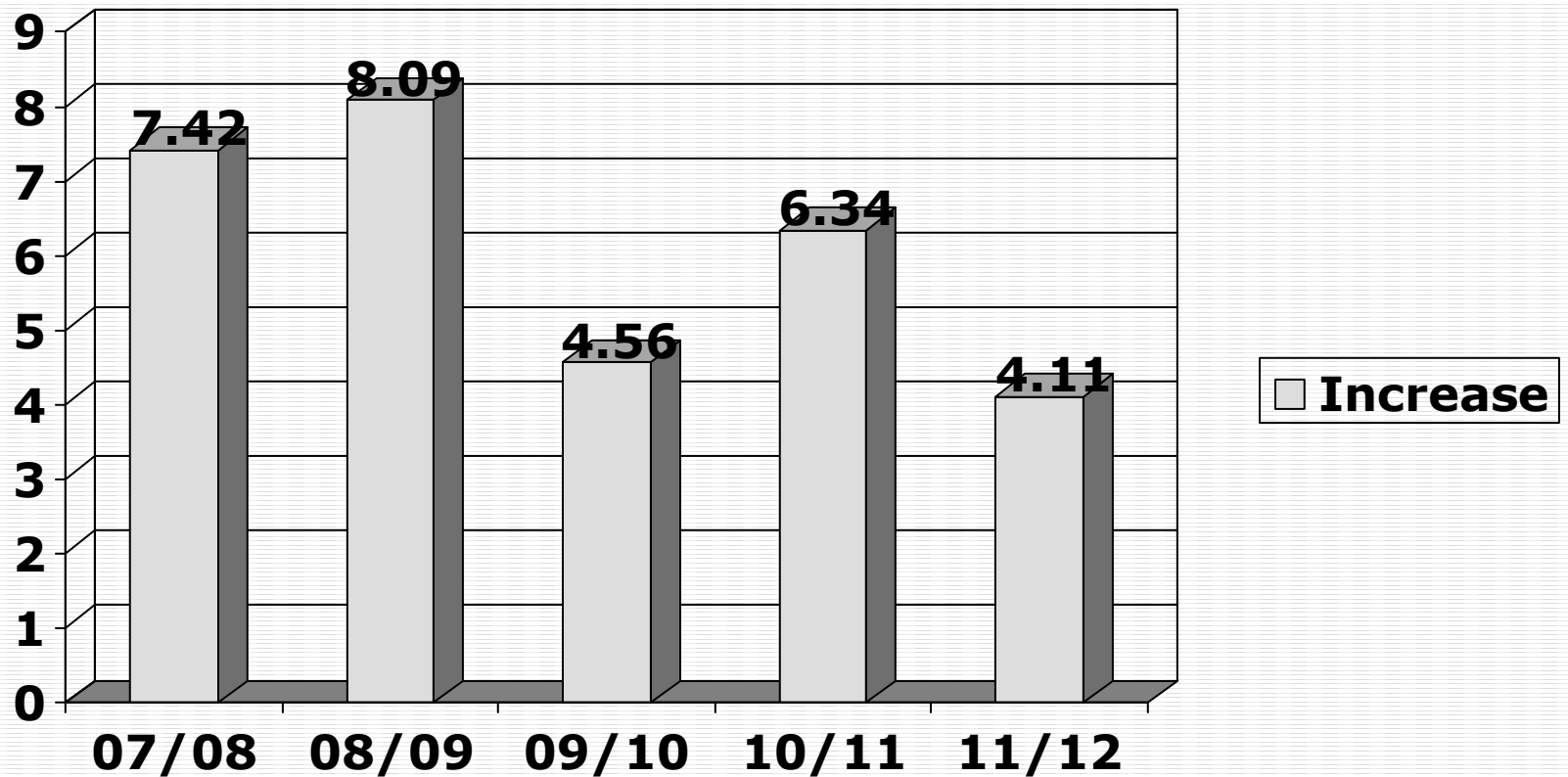
Over the past decade, City (taxpayer) contributions to police, firefighter and other municipal employee pension funds have more than doubled, yet during that same period the funding level of these pension systems has declined sharply. This trend is simply not sustainable.

The market decline of 2008 has exacerbated the problem. Municipalities fund police and firefighter pensions through a combination of employee contributions, market investment returns and taxpayer contributions. A recent survey of 29 Northwest Municipal Conference members (covering 54 individual pension funds*) revealed that the required contributions to these funds will increase by an average of nearly \$800,000 per municipality for 2009. Ten of these members (35%) will see increases of more than \$1 million.

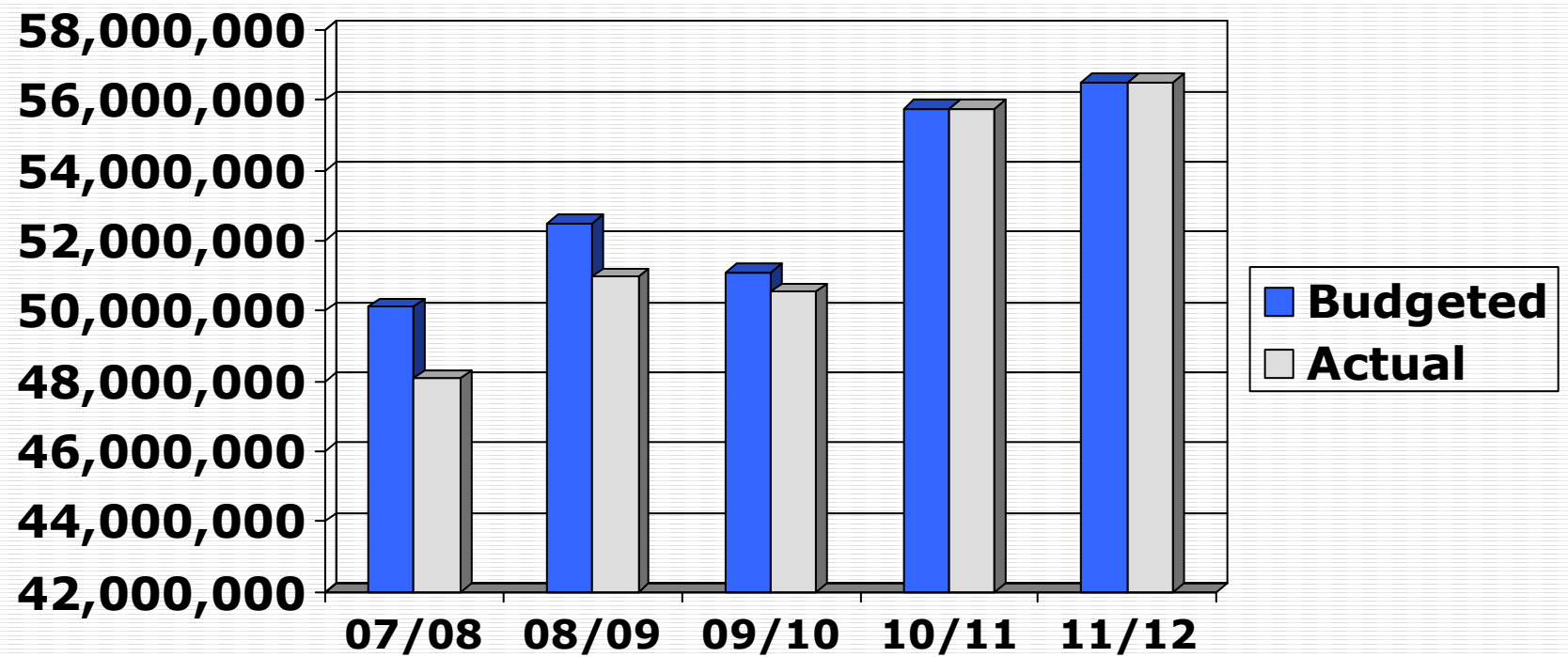
Pension Contributions



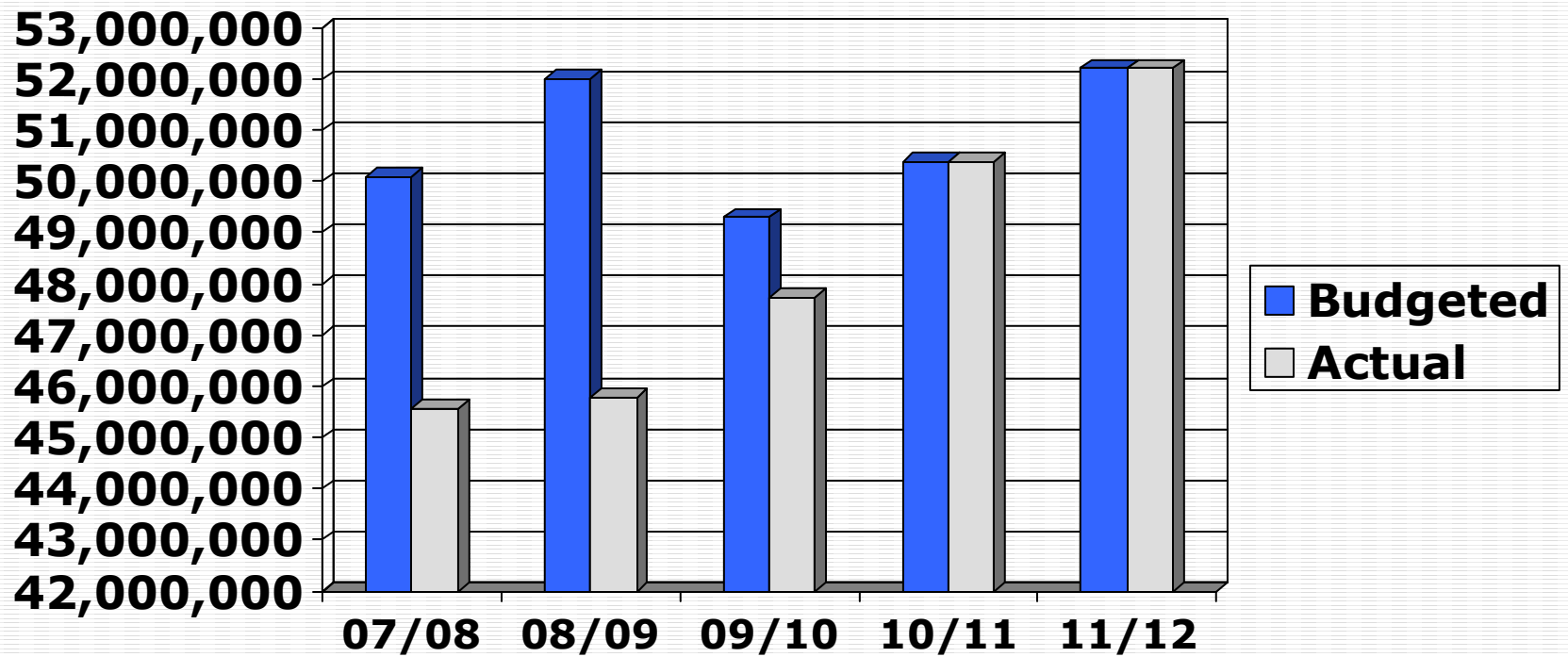
Pension Cost Increases



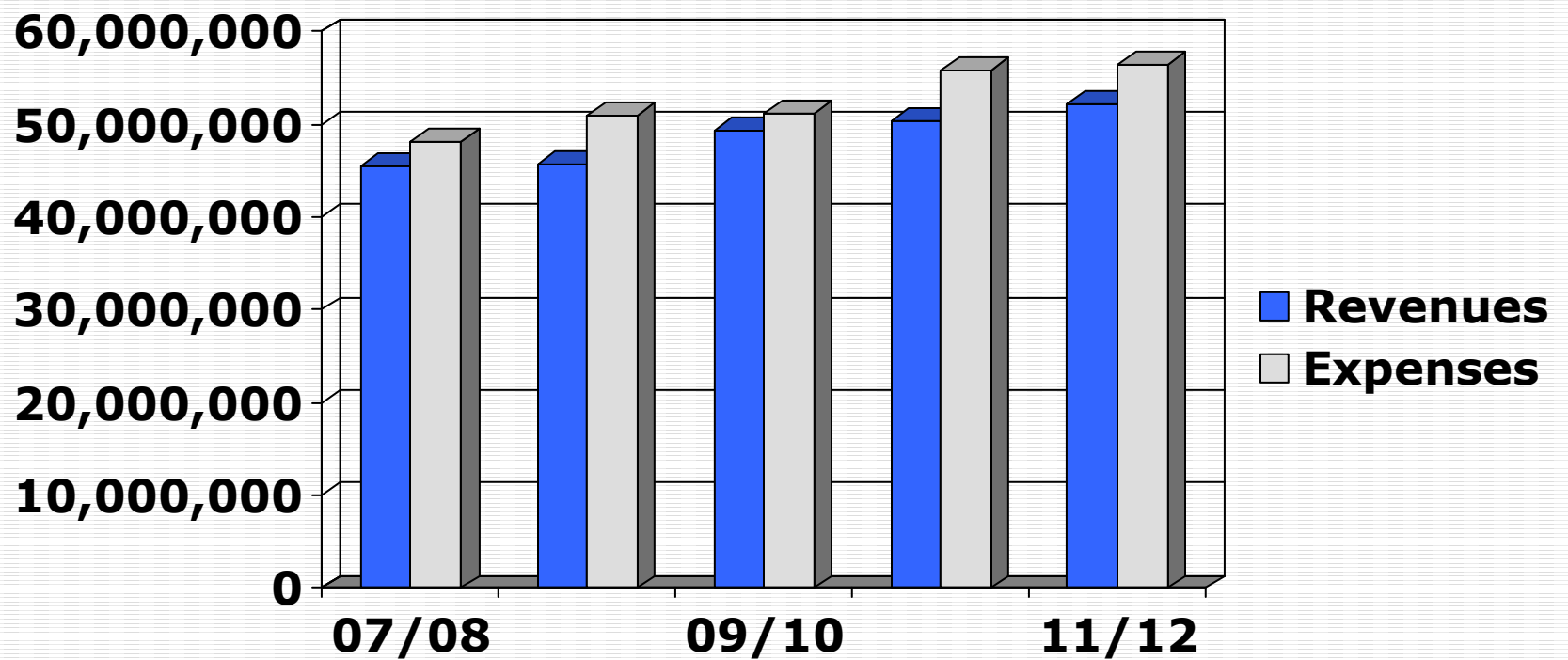
Expenses



Revenues



Revenues vs. Expenses



Employee Wage and Step-Increase Costs/Savings for 2009/2010

(presuming 4% across the board increases)

Non-union	\$247,726
FOP (Police Officers)	\$202,500
ICOPS (CSOs, Clerical, Inspectors)	\$86,744
IAFF (Firefighters)	\$155,891
Public Works	\$109,160
<i>Total Union</i>	<i>\$554,081</i>
<i>Total Non-Union</i>	<i><u>\$247,726</u></i>
<i>Grand total</i>	<i>\$801,807</i>

Duration of Fiscal Stress

Short Term

Long Term

Severity of Fiscal Stress

Low

High

I. Fiscal Crunch

- Increase service charges
- Grant amnesty for delinquent taxes and fees
- Automate tax/fee collections
- Identify possible piggybacking of tax and fee collections with other governments

III. Fiscal Squeeze

- Undertake strategic review of the City/County's strengths and design revenue policies that augment agglomeration economies
- Examine tax-exempt policies for citizen groups, nonprofits, and businesses
- Eliminate minor taxes and fees that are costly to administer

II. Fiscal Crisis

- All of I. plus
- Impose temporary increase in property tax rate
- Impose temporary increase in fees

IV. Fiscal Crush

- All of III. Plus...
- Aggressively target tax incentives only to business investment that strengthens agglomeration economies
- Reduce rates on taxes/fees that are excessively high (by regional standards)
- Eliminate property tax exemptions for targeted citizens groups
- Increase service charges or convert more tax-supported services to a fee base and account for as self-supporting enterprises

Ten Largest Water Consumers

■ Lutheran General Hospital**	87,487,000
■ Park District*	43,456,000
■ School District 207*	43,226,000
■ Resurrection Nursing Home*	13,504,000
■ Park Ridge Country Club	9,055,000
■ School District 64*	8,801,000
■ Uptown Development (Condos)	4,609,000
■ 101 Summit (Condos)	3,997,000
■ Dominick's	3,833,000
■ Summit of Park Ridge	1,486,000

* Does not pay property tax

** Pays property tax on Professional Building

Labor Agreement Status

May 1, 2010

Fire	Contract expires (but 4% more-no furlough days)
ICOPS	Wage reopener-no step increases
Public Works	4.25%
Police Officers	Contract expires 4/30/10 – 4% increase