



VILLAGE OF WILMETTE

1200 WILMETTE AVE.
WILMETTE, ILLINOIS 60091

Incorporated September 19, 1872
Council/Manager form of government
Home Rule Municipality

Area in square miles 5.4

Number of full-time equivalent employees 213.65

Elected Officials

Christopher S. Canning - President

Michael W. Basil– Trustee

Cameron Krueger – Trustee

Ted McKenna – Trustee

Karen Spillers- Trustee

Alan Swanson – Trustee

Mari Terman – Trustee

Management Team

Timothy J. Frenzer
Kathleen A. Gargano
Michael Braiman
Nina Vetter
John Adler
Lisa Roberts
Brigitte Mayerhofer
Jorge Cruz
Nabil Quafisheh
Robert Amoroso
Blythe Trilling
Peter Skiles
James Dominik
Michael McGreal
Brian King
Kyle Perkins
Donna Jakubowski
Ken Kennedy
Guy Lam

Village Manager
Assistant Village Manager
Assistant to the Village Manager
Administrative Intern
Dir. of Community Development
Asst. Dir. of Community Development
Director of Engineering Services
Asst. Dir. Of Engineering Services
Water Plant Superintendent
Finance Director
Assistant Finance Director
Information Services Director
Fire Chief
Deputy Fire Chief
Police Chief
Deputy Police Chief
Director of Public Works
Assistant Public Works Director
Street Superintendent

VILLAGE OF WILMETTE

ORGANIZATIONAL STRUCTURE

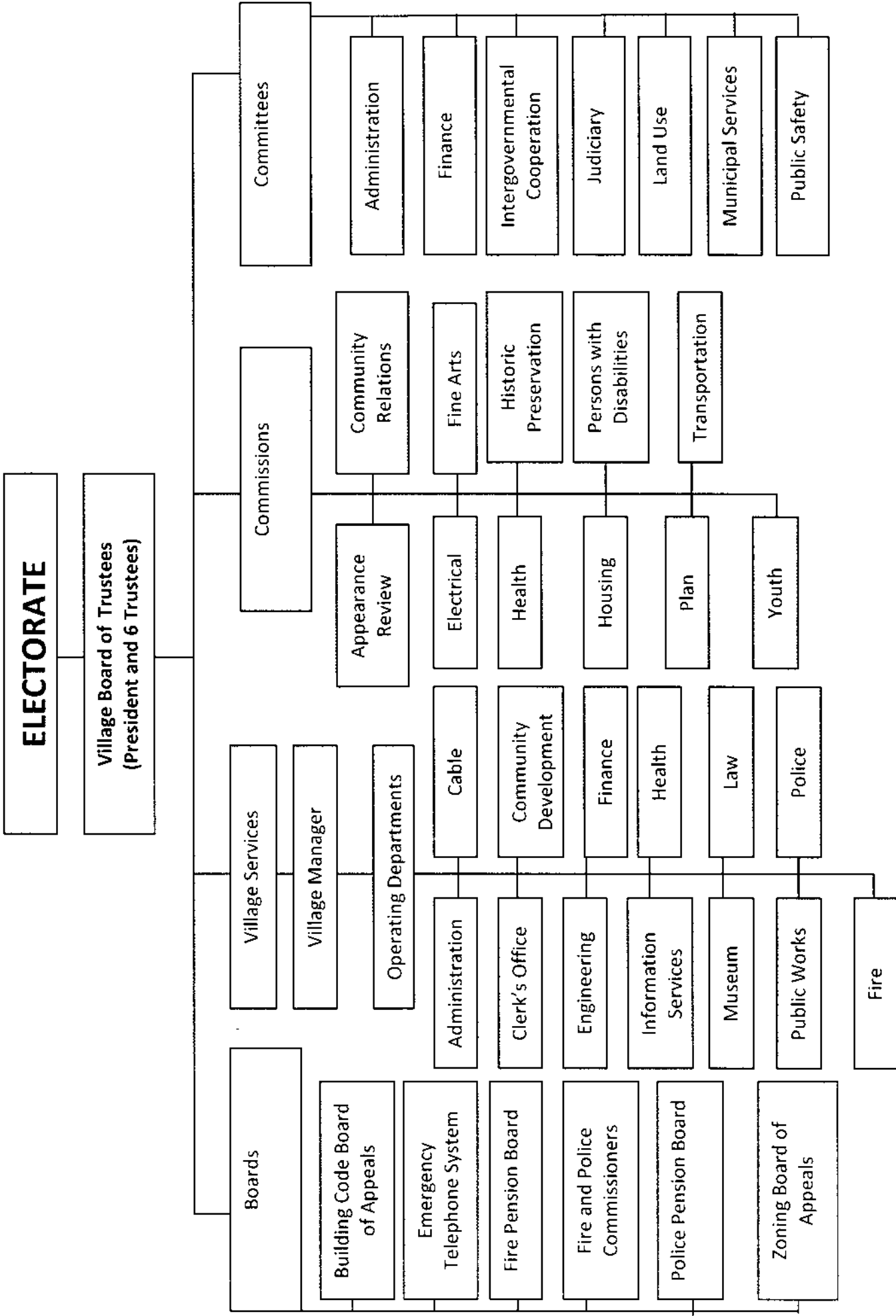


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GOVERNMENT FINANCE OFFICERS ASSOCIATION



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**Village of Wilmette
Illinois**

For the Fiscal Year Beginning

January 1, 2010



President

Executive Director

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INTRODUCTION

This budget document is prepared to enable the Village President and Board of Trustees, residents of Wilmette, investors, creditors, and other governmental units to gain a complete understanding of the Village's programs and financial operations.

The Introduction Section of this budget document includes the Village Manager's transmittal letter and budget summary, a community profile, and a description of the Village's budget formulation process.

The introductory section is followed by two budget summary sections. The first describes the Village's financial policies and includes our long-range cash flow projections for all funds. This is followed by a summary of revenues and expenses, which includes trend analyses of the major items.

The five sections following the two budget summary sections describe all Village programs by fund. The last five sections of this budget document contain the Village's debt service projections, general jurisdictional statistics, personnel for all Village departments, capital planning which includes a summary of the Five Year Capital Improvements Program, and a glossary.



VILLAGE OF WILMETTE

1200 Wilmette Avenue
Wilmette, Illinois 60091-0040

OFFICE OF THE
VILLAGE MANAGER

(847) 853-7501
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January 1, 2011

To the Village President, Trustees, and Residents of the Village of Wilmette;

I am pleased to present the 2011 Budget covering the Village's fiscal year period from January 1, 2011 through December 31, 2011, and adopted by the Village Board on November 23, 2010.

As the full weight of the nation's economic recession came to bear on the Village in 2008 and 2009, the Village was compelled to adjust its revenue projections downward. In 2009 alone, revenue fell short of expectations set out in the 2009 Budget by approximately \$2.3 million. At the same time, the Village Board and the Village staff committed to the shared goal of maintaining Village services, notwithstanding the significant downturn in revenue the Village needed to support those services.

Beginning in January 2009, the Village staff worked closely with the Village Board to begin a new approach to budgeting in anticipation of preparing the Fiscal Year 2010 Budget. Together, we worked to reduce operating expenses across all Village departments and operations throughout the course of 2009. We also developed a new budget process, in which we collaboratively designed a new budget document that allowed the Village Board to focus on key expenditures, changes in revenue and expense, and the reasons for them. We also met throughout the course of the year to develop clear understandings and expectations, so that in the fall when the Village Manager presented the new budget to the Village Board, it would be a document that aligned with the Village Board's goals.

Our new process was a success. The Fiscal Year 2010 Budget preserved Village services to residents while reducing General Fund expenditures by \$1.5 million from the FY 2009 Budget, and drove down the property tax levy increase from a projected 11.2% to only 3.95% - the smallest increase in a decade. Most importantly, it used conservative revenue projections and was balanced - so as to ensure that the Village would not again draw down on its reserves as it did in 2009.

The challenge before us in 2010 was to build on this success in the preparation of the Fiscal Year 2011 Budget. While Village revenues have largely stabilized in 2010, and were consistent with staff's projections, they still remained well below pre-recession

levels and the Village's significant capital and infrastructure needs remain. Once again, the Village Board and the staff have focused throughout the year on finding economies, efficiencies and better processes to hold down or reduce spending, while still meeting the expectations of our residents for the exceptional services that distinguish Wilmette from other communities.

During the course of 2010, the Village staff implemented new procedures, new technology, adjusted staffing levels and identified other expense reductions that could be made without adversely impacting public service levels. Those included:

- Outsourcing of plumbing inspections and plan reviews through attrition to provide a savings of \$15,000.
- Outsourcing of engineering plan reviews to ensure all initial reviews are completed within 10 days.
- During the spring of 2010, the Village and its solid waste contractor delivered more than 15,000 new totes to residents in just 5.5 days, and successfully implemented a new collection schedule for all residents. The new system better facilitates recycling, reduces the number of days required to collect all household waste and recycling from five days to just four, and will save the Village approximately \$2.2 million over the course of the seven-year contract, when compared to the cost of maintaining the old system of collection.
- Employee headcount at the Water Plant has been reduced by one full-time position by eliminating two part-time positions.
- Increased savings due to the Village's replacement of its telephone system in 2009 with an internet-based system which will result in \$17,000 more of savings than initially projected for 2010 and will provide a return on investment of less than 36 months.
- A joint tree trimming contract with the Village of Glenview provided economies of scale that allowed the Village to trim an additional 564 trees in 2010 and reduce the tree trimming cycle from 12 years to 8 years.
- Executed a contract with the Village of Northbrook to provide food inspection services that will provide \$20,000 in additional revenue annually.
- Submitted successful grant applications for the replacement of high lift pump motors at the Water Plant and incandescent street light bulbs.
- Reduced landfill tipping fees that will result in a \$94,465 savings in 2010.
- Through continuous monitoring of the Village's financial position specifically in the Water Fund, certain operating expense reductions were made in 2010 that allowed for the fund to absorb the \$250,000 combined shortfall in the residential

and wholesale revenues along with an unbudgeted \$200,000 transfer to the Sewer Fund to add to its reserve.

- Developed Performance Measures to monitor the effectiveness of service delivery of core services. Through monitoring the performance measures, staff was able to proactively respond to the service delivery in certain permitting functions.

The Village Board and the staff have met over the course of 2010 to discuss revenue performance, capital needs and expense reductions in order to have clear goals and expectations for the 2011 Budget. Once again, the Village Board challenged staff to present a balanced budget that preserved the Village's reserves and drove down the increase in the property tax levy from the more than 11% increase previously forecast in the second quarter of 2010. Finally, the Village Board added the challenge of beginning to restore some of the important capital spending on Village infrastructure that necessarily had to be deferred as revenues were plummeting in 2008 and 2009.

I am pleased to present you with a Fiscal Year 2011 Budget that, once again, meets these goals.

- The FY 2011 Budget is **again balanced**. It projects no draw down on Village reserves.
- The FY 2011 Budget **again maintains all Village services**. It provides for the continued police, fire, public works and other services residents expect.
- The FY 2011 Budget provides for **restoring capital funding for critical infrastructure improvements in Village neighborhoods**, including:
 - \$1.5 million for street resurfacing and improvements, to address needed repairs.
 - \$887,000 for alley maintenance and improvements, to address alleys that are also in need of repair.
 - \$120,000 for sidewalk and curb maintenance and improvements, to address those that are in need of repair or replacement.
 - \$2.6 million for sewer lining, cleaning, televising, and repair to improve sewer performance during storm events.
- The FY 2011 Budget once again **reduces General Fund expenditures** from the 2010 Budget in multiple areas, through measures such as:
 - Increased outsourcing of inspectional services, engineering design and plan review, and snow plowing.
 - Increased intergovernmental cooperation and shared services, such as the Village providing sanitation inspection services to three other municipalities, and combining contracts for tree trimming with Glenview.

- Reorganizing work across all Village departments to reduce staffing by an additional 1.28 full time equivalent (FTE) positions, and reducing the Village's total staffing (in FTE positions) to its lowest level since 1995.
- Pursuing new efficiencies in technology, such as reducing both the Village's and Park District's telecommunications cost with new IP based telephone systems that add new levels of functionality and customer service.
- Reducing other operating expenses \$26,000.
- Creates long-term structural cost savings through the implementation of a new two-tier Employee Pay and Classification Plan, applicable to non-public safety employees hired on or after January 1, 2011.
- While last year's budget provided for the smallest percentage increase in the property tax levy in a decade – 3.95% - the FY 2011 Budget's increase in the property tax levy **is smaller still – 3.72% – and is once again the smallest property tax increase since 1999.** The components of this increase are:
 - A 3.24% increase to fund general expense growth.
 - A 4.38% increase to fund additional employee pension obligations mandated by the State of Illinois.
 - A 3.90% reduction resulting from refinancing the Village's tax supported debt obligations.

We estimate the impact of the proposed 3.72% property tax increase on the average homeowner, remembering that the Village of Wilmette's share of the residents' property tax bill is only about 11-12% of the total bill, to be approximately a \$50 annual increase – less than \$1 per week.

Below is a more detailed discussion of how the Fiscal Year 2011 Budget was developed, the revenue and expense challenges that were confronted in 2010 and will face the Village in 2011, the actions taken by the Village to address those challenges, and the means by which we intend to, once again, balance expenses with revenue while still improving service and infrastructure in Fiscal Year 2011.

Process for Development of the 2011 Budget

The 2011 Budget was developed by the Village's Budget Team consisting of Assistant Village Manager Kathleen Gargano, Finance Director Robert Amoroso, Assistant to the Village Manager Michael Braiman, Administrative Intern Nina Vetter, and myself. The Budget Team and the chiefs and directors of the Village's various departments worked closely together throughout the budget process to develop a 2011 Budget that met the challenges issued by the Village Board.

In years prior to 2010, departments typically presented new initiatives and programs for the Budget Team and, ultimately, the Village Board's consideration. However, under our current financial circumstances, such initiatives can only be considered within the

existing budget constraints and had to remain budget neutral, as the overriding goal of this year's process was to maintain service levels while holding the line on costs.

The Budget Team members met with each operating department to review and discuss that department's goals and objectives and the corresponding expenditure items. Each line item of the budget was closely scrutinized, down to the level of finding savings in every category possible. This part of our 2011 Budget process began January 1, 2010 – cost reduction efforts are and will remain a continuing process throughout the entire year, not just at budget time.

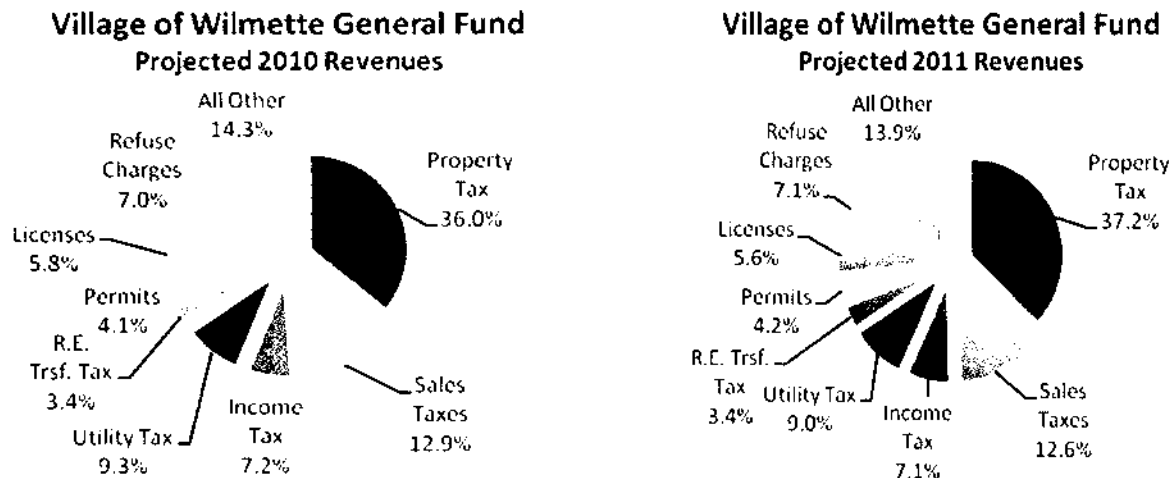
2011 GENERAL FUND BUDGET

- ***The Continuing Effects of the National Recession on General Fund Revenue and the Budget***

The Village funds all of its critical services to residents, other than water and sewer, through its General Fund. Despite the effects of the current economic recession, the Village is committed to maintaining service levels for the community and preserving long-term financial stability. The following is a discussion of the key General Fund revenue sources that defray the operating expenses of the Village, and the impact the decline in these critical revenues have on the resources of the Village.

- ***Overview of Key Revenues Influencing Budget Development***

The revenues used to support the operations of the Village are derived from the following:



The 2010 General Fund revenues have met overall budget projections with under-performance in sales tax and income tax being largely offset by growth in the real estate

transfer tax. Revenue sources most adversely impacted by the recession, beginning in the 4th quarter of 2008, have been sales tax, income tax, permit revenue and real estate transfer tax. These sources represented 33% of General Fund revenue in the 2009 Budget, but that share has declined to only 27% of General Fund revenue in the 2011 Budget.

The 2011 Budget projects that revenues will remain fairly stable and conservative growth is projected in the permits and real estate transfer taxes as it is anticipated that the housing market will begin to improve and homeowners will begin to undertake home improvements that have been on hold since 2008. Staff will continue to monitor the revenues if overall economic conditions deteriorate.

Real Estate Property Tax

The single largest source of General Fund revenue is the real estate property tax. Despite the state of the economy, this is a fairly stable revenue source for the Village. However, in recent years the collection rate has been reduced from 99.5% to 99.25%. This decrease is not attributed to non-payments by property owners, but rather to property tax refunds granted by the Cook County Board of Review and the Cook County Property Tax Appeals Board from property tax assessment appeals.

When the 2010 Budget was adopted, projections called for a 2011 increase of 9.1% in the property tax levy. Based on estimates of cost increases in the Village's pension funding, this projection was increased to 11.03% in the second quarter of 2010. As was the case in 2009, staff was tasked to reduce this growth in the property tax levy, mindful of the need to recognize that property owners were also experiencing the continued effects of the national recession.

Through the proactive work of the department heads and Budget Team, operating expense reductions and capital expenses deferrals were identified that would reduce the burden on the property tax levy to maintain core services.

The Village staff also identified an opportunity to improve both the Village's cash flow and its capacity to renew critical capital spending on maintaining and improving the Village's infrastructure. The Village's streets, sidewalks, alleys and sewers are the infrastructure expenditures that most directly impact residents, and are ones which the state of the national economy has forced us to reduce expenditures over the past several years. The staff, as is the Village Board, is well aware of streets, alleys and sidewalks that residents have told us are in need of repair and improvement. We are also aware that televising, relining, cleaning and repair of the Village's sewers improve their performance during storm events.

Throughout the early part of the past decade, debt financed infrastructure improvements were undertaken calling for gradual property tax levy increases of between 2% and 3% through the 2013 tax levy. While this approach seemed appropriate from 2002 through 2007, the economic decline beginning in 2008 called for a change in philosophy. The Finance Director, working with the Village Board's Finance

Committee and the Manager's office, prepared a plan to refinance existing debt service in a manner that would reduce the annual debt service and provide for additional ability to address critical capital needs in such challenging economic times.

An advance refunding of the outstanding Series 2002 General Obligation bond issue, executed in October 2010, was designed to reduce tax supported debt service to just under \$3 million in 2011; growth to \$3.3 million by 2013; and gradually increasing to \$3.7 million through 2025. The revised debt service schedules lengthen the overall maturity by only four years – still well within the projected useful life of the financed improvements. With this refunding, new debt of just over \$4 million was issued to finance road, alley, sewer and water infrastructure improvements as well large equipment purchases.

With the revised debt service from the 2002 issue advance refunding along with the new tax supported debt, the 2010 tax levy (collected as 2011 revenues) is now \$14,016,100 reflecting a 3.72% growth over the 2009 tax levy. This \$503,100 increase is broken out as follows:

Components of the 2010 Tax Levy increase:

| | | |
|-------------------------------------|----------------|--------------|
| General Operations | 393,215 | 2.91% |
| Debt Service – following refinance | (611,900) | -4.53% |
| Debt Service – 2010 Issue new money | 84,785 | 0.63% |
| Pension Growth | 592,000 | 4.38% |
| Sub-Total | 458,100 | 3.39% |
| Additional to replenish Reserve | 45,000 | 0.33% |
| Overall 2010 Tax Levy Growth | 503,100 | 3.72% |

The Village's share of the average Wilmette resident's property tax bill is approximately 11-12%. Therefore, a 3.72% increase in the Village's share of the property tax levy amounts to about a \$50 annual increase for the average Wilmette homeowner.

Real Estate Transfer Tax

Locally, the recession has had its most significant impact on real estate activity. The sales of existing homes in Wilmette slowed by 13% in 2007, and declined another 36% in 2008. This trend continued in 2009 with the Real Estate Transfer Tax declining another 26%. While foreclosures throughout the nation and state are at historically high levels, troubled property owners in Wilmette still generally have significant equity in their residences. Thus, even foreclosed properties do not remain vacant for lengthy periods of time.

The 2010 Budget called for 25% growth over the 2009 revenue and current projections indicate that actual growth will be about 50%. While the 2010 budget called

for improved sales growth (due to increased demand following three years of decline), much of the additional growth is attributed to the federal tax credit for home purchases that existed in the first half of 2010. Revenue in 2011 is projected to grow by about 2.6% to \$990,000, reflecting continuing economic improvements with mortgage rates remaining at historical low levels.

Building Permits

As with real estate sales, plans to improve properties are dependent on credit markets. With the tightening of lending standards, property owners have seen home equity lines of credit reduced resulting in the reduced ability to finance home improvement projects. Permit revenues declined 18% in 2008 (all in the 4th quarter) and another 30% in 2009. Permit activity has increased in 2010 and current projections indicate a 10% increase over 2009 revenues. A 4% increase is projected for 2011 reflecting an indexed rate increase in conjunction with improving economic conditions. Commercial lending has taken more time to improve than residential borrowing and little growth is anticipated in commercial property development until at least 2012.

Income Tax

This revenue source is the 10% allocation of the State income tax that is distributed to local governments on a *per capita* basis. With statewide unemployment rising along with investment income losses, this revenue declined 14% in 2009 and is expected to decline more than 7% in 2010. As of December 2010, unemployment in Illinois is 9.3% statewide, and nationally is at 9.4%. The unemployment rate in Wilmette has been about 6% for most of 2010, remaining well below national and statewide averages.¹

While Wilmette's relatively low unemployment rate is considered a positive statistic, many residents have become unemployed and many others who have remained employed have experienced either reductions in income, or little or no growth their income. With indications that economic conditions are improving, the 2011 Budget projects 1.5% growth in this revenue from 2010.

Sales Tax

With the declines in wealth and income noted previously, consumer spending has been impacted. Wilmette generally has a stable retail environment with four grocery stores and a major drug retailer among its largest sales tax producers. Discretionary spending should not affect these businesses as much as they might impact auto dealers or apparel businesses. This aspect has helped mitigate the decreases in sales tax that would come with reduced consumer spending. Following modest sales tax growth of between 1% and 2.6% annually in 2006 through 2008, an 11% decline occurred in 2009 and a further decrease of 1.1% is projected in 2010. The 2011 Budget projects 1.5% growth in this revenue which would be comparable to the level of 2009 retail activity.

¹ State of Illinois, Department of Employment Security data – December 2010.

Investment Income

The Village is covered by three defined-benefit pension plans that cover all qualifying employees. These include two locally managed funds, the Police Pension Fund (covering sworn police officers), the Firefighters Pension Fund (covering sworn members of the Fire Department), and one statewide fund, the Illinois Municipal Retirement Fund (IMRF), which covers all other qualified public employees. The benefits of all three of these pension plans are governed by state law and may only be amended through acts of the Illinois General Assembly.

Investment losses over the past several years that have impacted residents' overall wealth also have a direct impact on the Village with respect to its employee pension funding. While the value of each pension fund's investment portfolio has stabilized since the declines seen in 2008 and 2009, their respective values are still diminished and investment income in 2010 is, at best, very modest. With defined benefit pension plans, losses in portfolio value resulting from poor performance only impacts the employer, not the beneficiaries. The impact comes in the form of increased employer contributions to compensate for investment losses.

Investment losses are compounded by decisions made in Springfield by the Illinois General Assembly when pension benefits and eligibility are improved, as they have been in the past, without new revenue sources to pay for them. This year, the General Assembly took its first steps toward controlling these costs by implementing new two-tier pension systems for all municipal employees. Insofar as the Village is concerned, this impacts new IMRF plan participants, police officers and firefighters hired on and after January 1, 2011. Plan participants in the new tier will be required to work additional years to qualify for benefits, will have those benefits capped as a percentage of a maximum income, and will be subject to new rules to prevent double-dipping and other practices that increase costs.

Investment losses in 2008 of about 13% for the locally administered Police Pension Fund and Firefighters Pension Fund and 25% for the statewide administered IMRF investments were largely offset in 2009. This turnaround in investment performance still leaves investment portfolios at a lower level than existed at the end of 2007. Since the impact of investment losses is fully borne by the employer, 2011 pension contributions are expected to increase more than \$658,000 – a 15.8% increase. Total pension expense in 2011 represents about 16% of the total General Fund Budget.

Below is a cumulative history of the Village's pension contribution obligations since 1996, showing the relative cost and budget impact public safety and non-public safety pensions:

Village of Wilmette - History of Employee Pension Expense

| Year | IMRF Employer Contributions | Police Pension Employer Contributions | Fire Pension Employer Contributions | Total Pension Contributions |
|-------------------------------|-----------------------------------|---|---|-----------------------------------|
| 1996 | 496,033 | 300,403 | 250,099 | 1,046,535 |
| 1997 | 513,799 | 340,127 | 272,246 | 1,126,172 |
| 1998 | 511,477 | 264,800 | 332,000 | 1,108,277 |
| 1999 | 488,454 | 260,000 | 360,000 | 1,108,454 |
| 2000 | 425,404 | 277,000 | 465,000 | 1,167,404 |
| 2001 | 272,326 | 378,000 | 541,000 | 1,191,326 |
| 2002 | 223,799 | 511,000 | 638,000 | 1,372,799 |
| 2003 | 127,141 | 624,000 | 748,000 | 1,499,141 |
| 2004 | 373,520 | 774,300 | 818,350 | 1,966,170 |
| 2005 | 568,877 | 789,400 | 1,078,808 | 2,437,085 |
| 2006 | 663,056 | 860,000 | 1,118,000 | 2,641,056 |
| 2007 | 707,886 | 1,016,400 | 1,245,800 | 2,970,086 |
| 2008 | 687,857 | 1,112,000 | 1,394,000 | 3,193,857 |
| 2009 | 702,537 | 1,300,000 | 1,620,000 | 3,622,537 |
| 2010 | 743,800 | 1,540,900 | 1,880,700 | 4,165,400 |
| 2011 Budget | 832,980 | 1,827,400 | 2,163,900 | 4,824,280 |
| % Change from 1996 | 67.93% | 508.32% | 765.22% | 360.98% |

| | | | | |
|---|--------------|---------------|---------------|--------------|
| 15 Year Average Compounded Annual Growth | 2.74% | 11.52% | 14.40% | 9.65% |
|---|--------------|---------------|---------------|--------------|

- General Fund Budget Summary for FY 2011**

The Village's General Fund is the principal operating fund for the Village. The General Fund provides the funding for the operations of the Fire, Police, Public Works, Community Development, Law, Finance, Cable, Health, Manager's Office and Information Services Departments.

The following is a summary of the 2011 Budget for the General Fund. Note that the 2011 budget is balanced, honors all contractual commitments and maintains existing service levels. Overall revenue growth reflects the 3.72% property tax levy increase noted previously, fee increases indexed to related expense increases, and nominal 1.5% economic growth in other areas.

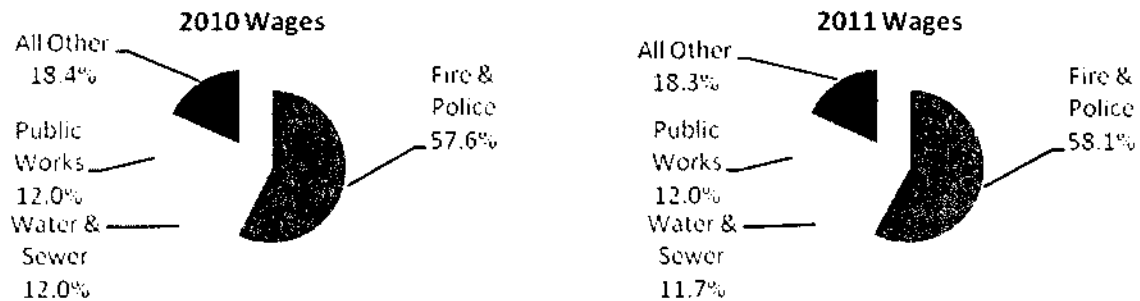
General Fund Budget Summary

| | 2010 <u>Budget</u> | 2010 <u>Projection</u> | Proposed 2011 <u>Budget</u> | Proposed 2011 <u>Projection</u> |
|---|-------------------------------|-----------------------------------|--|--|
| Beginning Reserve | 2,615,930 | 2,602,655 | 2,643,718 | 2,643,718 |
| Property Tax Revenue | 10,466,700 | 10,367,200 | 11,042,500 | 11,042,500 |
| Sales Taxes | 3,810,000 | 3,700,000 | 3,755,500 | 3,755,500 |
| Income Tax | 2,280,000 | 2,070,000 | 2,101,050 | 2,101,050 |
| Utility Tax | 2,615,000 | 2,675,000 | 2,675,000 | 2,675,000 |
| Real Estate Transfer Tax | 800,000 | 975,000 | 1,005,000 | 1,005,000 |
| Permits | 1,160,000 | 1,190,000 | 1,237,600 | 1,237,600 |
| Licenses | 1,674,600 | 1,658,600 | 1,658,600 | 1,658,600 |
| Refuse Charges | 2,024,000 | 2,024,000 | 2,094,800 | 2,094,800 |
| All Other Revenues | 3,991,525 | 4,117,890 | 4,132,322 | 4,132,322 |
| Total Revenues | 28,821,825 | 28,777,690 | 29,702,372 | 29,702,372 |
| Personnel Expense | | | | |
| Wage Expense | 14,569,415 | 14,575,870 | 14,794,585 | 14,808,700 |
| Fringe Benefits | 6,653,860 | 6,689,280 | 7,427,815 | 7,427,000 |
| Refuse Program | 2,307,305 | 2,209,950 | 2,315,070 | 2,315,000 |
| Other Operating Exp. | 4,513,555 | 4,412,214 | 4,447,375 | 4,447,000 |
| Contingency | 500,000 | 9,000 | 500,000 | - |
| Trsf. To Road Programs | 470,900 | 447,000 | 457,600 | 457,600 |
| Non-Operating Exp. | 265,655 | 251,505 | 121,575 | 121,000 |
| Capital Outlay | 92,900 | 141,808 | 126,150 | 126,000 |
| Total Expenses | 29,373,590 | 28,736,627 | 30,190,170 | 29,702,300 |
| Revenues in Excess of Expenses | (551,765) | 41,063 | (487,798) | 72 |
| Ending Reserve | 2,064,165 | 2,643,718 | 2,155,920 | 2,643,790 |

Discussion of Expense Categories

The Village categorizes its expenses into the following categories: Personnel, Refuse, Other Operating, Non Operating and Capital expenses.

○ **Personnel & Fringe Benefits**



Because 75% of General Fund expenses are tied to salaries and benefits, stabilizing the Village's spending requires controlling this expense category to the extent practicable, recognizing the need to maintain adequate staffing to continue to provide public services. Overall wage growth was originally projected to be 3% for the 2011 Budget, but the Village was able to reduce its overall wage expense while meeting the contractual obligations contained in its collective bargaining agreements, which provide for a 2% annual wage adjustment, through the following personnel expense adjustments that reduced the Village's FTE by 1.28:

| <u>Personnel Change from the 2010 Budget</u> | <u>FTE</u> | <u>Cost / (Savings)</u> |
|---|---------------|-------------------------|
| Plumbing Inspector (made contractual in 2010) | (0.80) | (59,848) |
| P/T Meter Technician | (0.50) | (30,487) |
| P/T Secretary (Water Plant) | (0.50) | (25,952) |
| Data Proc. Oper. III (Police) Net Change | (0.20) | (14,548) |
| Additional P/T Telecommunicator | 0.50 | 25,664 |
| Additional Crossing Guard | 0.10 | 12,000 |
| Increase in Sanitarian hours | 0.13 | 10,609 |
| | (1.28) | (82,562) |

Below is a ten year history of the Village's FTE staffing. The 2011 staffing level is the lowest since 1995.

| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 226.72 | 225.48 | 224.23 | 226.13 | 226.11 | 229.13 | 227.93 | 221.25 | 213.65 | 212.38 |

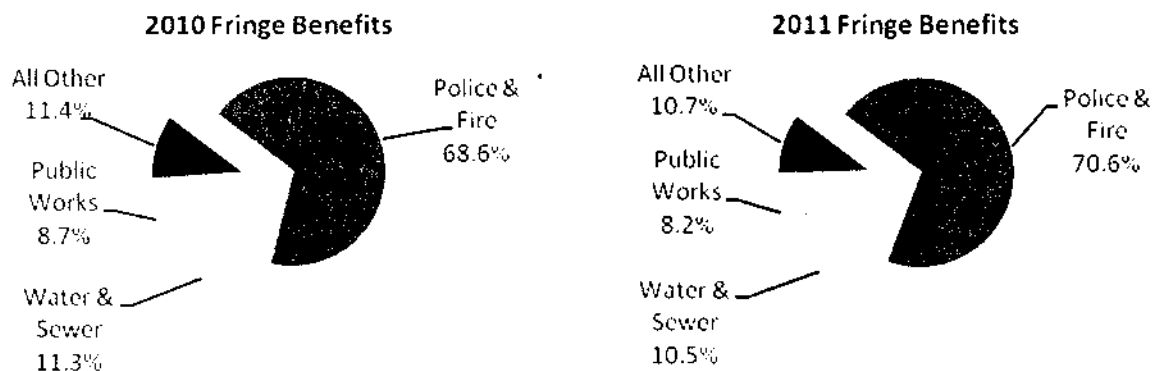
As a result, rather than the 3% initially projected, overall wage growth of 1.81% is displayed as follows:

| Fund Breakdown: | FY 2010 Budget | Change | FY 2011 Budget | % Change |
|------------------------|---------------------------|----------------|---------------------------|---------------------|
| General Fund | 14,516,615 | 335,420 | 14,852,035 | 2.31% |
| Water Fund | 2,044,680 | (47,345) | 1,997,335 | -2.32% |
| Sewer Fund | 460,265 | 15,170 | 475,435 | 3.30% |
| Parking Meter Fund | 110,940 | 2,960 | 113,900 | 2.67% |
| Municipal Garage | 524,875 | 13,150 | 538,025 | 2.51% |
| Totals | 17,657,375 | 319,355 | 17,976,730 | 1.81% |

While the 2011 budget for employee fringe benefits expense reflects an \$814,595 increase, it should be noted that initial projections for the Village's health insurance provides for a 0.3% decrease over the prior year. The reduction is due to reduced headcount and the projected rate freeze on the Village's PPO product. The following table highlights the Village's fringe benefit expenses:

| | FY 2010 Budget | Change | FY 2011 Budget | % Change |
|--------------------------------|---------------------------|----------------|---------------------------|---------------------|
| Health Insurance | 2,209,763 | (5,795) | 2,203,968 | -0.3% |
| Workers Compensation | 300,000 | 20,700 | 320,700 | 6.9% |
| FICA / Medicare | 780,710 | 14,370 | 795,080 | 1.8% |
| IMRF | 745,800 | 87,180 | 832,980 | 11.7% |
| Fire Pension | 1,824,000 | 339,900 | 2,163,900 | 18.6% |
| Police Pension | 1,482,000 | 345,400 | 1,827,400 | 23.3% |
| Other Employee Benefits | 388,280 | 12,840 | 401,120 | 3.3% |
| Total Fringe Benefits | 7,730,553 | 814,595 | 8,545,148 | 10.5% |

Pension contributions required by state law, discussed previously, account for more than 96% of the overall fringe benefit expense growth. The departmental breakdown of fringe benefits cost is as follows:



During 2010, the Village completed an analysis of its Employee Pay and Classification Plan, including both the plan structure and the pay levels of Village employees relative to the market. The scope of this study was limited to employees other than sworn police and firefighters, who are covered by respective collective bargaining agreements. While the review indicated that existing levels of compensation are reasonable, based on having personnel within 40% to 60% of market average, the review also indicated that the structure of the existing Pay and Classification Plan is outdated as it was developed more than 30 years ago.

Therefore, submitted as part of the 2011 Budget a new pay plan that adopts a longer timeline and smaller step increases in order to achieve long-term structural benefits. The new plan's savings will vary by position but over the course of an employee's progress through the plan the numbers are substantial. The plan will be implemented as a two-tier plan, in that it will become applicable to employees hired on or after January 1, 2011. This coincides with the applicability of new State laws creating a two-tier pension system for new participants on and after January 1, 2011.

Our review of current staffing indicates that, due to reductions in positions and the seniority of remaining personnel, little or no material savings would be achieved by applying the new plan to existing personnel.

- ***Refuse Expense***

The Village's new solid waste contract with Veolia Environmental Services commenced April 1, 2010. During 2009, and prior to the expiration of the old contract, staff from the Village Manager's Office, Finance Department and Public Works Department worked in consultation with the Village Board and its Administration Committee to reach a new agreement that provided for all residents receiving new household waste and recycling carts – "toters" – which would facilitate the change in service from backdoor pickup to curbside collection. During the spring of 2010, the Village and its contractor delivered more than 15,000 new toters to residents in just 5.5 days, and successfully implemented a new collection schedule for all residents. The new system better facilitates recycling, reduces the number of days required to collect all household waste and recycling from five days to just four, and will save the Village approximately \$2.2 million over the course of the seven-year contract, when compared to the cost of maintaining the old system of collection.

- ***Other Operating Expense***

Through recommendations made by the Village's department heads and the Budget Team, the other operating expense category was reduced by 0.4% when compared to the 2010 Budget. This category includes expenses provided by outside contractors (other than refuse or recycling). Examples include: disposal costs for the fall leaf collection program, snow and ice control operations, printing and mailing of the Village newsletter, the *Communicator*, Police Crime Lab operating expense, tree trimming, repair and replacement of equipment, the Village's street lighting, facilities, maintenance and heating expenses.

Cost reductions in this category were achieved through deferring the replacement of equipment, reducing heating expenses and adjusting maintenance schedules where appropriate. Core services to residents, such as the fall leaf collection program and snow removal, will continue to be maintained at their existing service levels.

- ***Other Non-Operating Expenses***

Non-operating expenses represent non-recurring items other than capital outlay. Specific consulting projects or expenses tied to specific grant revenues are examples of these expenses. These items tend to be discretionary in nature and usually are not projected into future budget years. In the 2011 Budget, this amount reflects a 54% reduction when compared to the 2010 Budget. The reduction is largely due to the reduction in consulting work in the Department of Community Development for the Village Center Master Plan, the Zoning Ordinance Review and for contractual plan reviews and inspections.

- ***Capital Expenses***

As recommended by the Village Board's Municipal Services Committee and Finance Committee at their joint meeting on July 15, 2010, the 2011 Budget includes the following capital expenditures in the General Fund to preserve and enhance the aesthetics of the Wilmette community that include:

- Road Pavement Improvements (\$1.5 million)
- Alley Maintenance and Repair (\$887,000)
- Brick Street Maintenance (\$42,500)
- Pavement Marking (\$40,000)
- Sidewalk Replacement (\$100,000)
- Curb Replacement (\$20,000)
- Crack Sealing (20,000)

The 2011 Budget also includes other large equipment purchases required to maintain the Village's core services. These include:

- Replacement of the Village's 9-1-1 System (\$310,000)
- Public Works Radio Replacement (\$93,000)
- Two Dump Trucks used for Snowplow activities (\$315,000)
- Two Sidewalk Snowplows (\$225,000)
- Sidewalk Replacement (\$100,000)

Beginning in 2007 the Village enacted new revenues that were dedicated to the purpose of funding road improvements. The pavement marking, brick street maintenance and crack sealing programs will be funded by unspent dedicated revenues and thus do not impact the 2010 tax levy. In 2011, the \$457,600 in projected dedicated revenues will fund a portion of the \$1.5 million street resurfacing program. All other projects listed above will be funded by bond proceeds.

The following discussion highlights substantial changes to the operating budgets from those presented in the 2010 Budget organized by department:

- ***Village Manager's Office***

There are no increases in the 2011 budget for contractual expenses, commodities, or other expenses. Funding for the Employee Assistance Program, \$5,550, has been eliminated as the program is now offered as part of the Village's health care plan.

- ***Information Services***

The 2011 Budget provides \$10,000 for computer replacements which will allow for the replacement of 12 desktop computers and one server.

- ***Finance***

The 2011 Budget continues to provide savings due to the Village's replacement of its telephone system in 2009 with an internet-based system and is projected to be \$12,000 less than the 2010 Budget.

- ***Law***

In 2010, the Village privatized its general legal counsel functions and a one-year retainer agreement was reached with Raysa & Zimmerman, LLC, to provide for the Village's general legal services. This resulted in a savings of \$41,765. The Village is pleased with the Corporation Counsel, Michael F. Zimmermann's performance, and has reached an agreement to extend the retainer agreement at no additional cost. The Village has also reduced expenses related to on-line legal research in this program (as the Village Manager now needs less access to on-line legal research). The overall program cost is reduced by \$2,630 in 2011.

- ***Community Development***

The 2011 Budget provides funding to continue the outsourcing of the plumbing inspectional services. The 2011 Budget also includes \$20,000 for business development activities.

- ***Police***

The 2011 Budget provides funding for the replacement of three squad cars which are primarily grant funded, in-car video cameras and in car-computers as well as \$310,000 for the replacement of the 911 emergency dispatch system. The 2011 Budget also includes funding for the Department to undergo an Accreditation review by the Commission on Accreditation for Law Enforcement (CALEA).

- **Fire**

The 2011 Budget includes \$9,500 to replace deteriorated fire hose which was deferred in 2010 as well as a \$4,400 reduction for pagers as the Village and Fire Union agreed that pagers for off-duty personnel were no longer necessary. The 2011 Budget also includes funding for the Department to undergo an Accreditation review by the Commission on Fire Accreditation International (CFAI).

- **Public Works**

Expenses related to removal of ash trees infested with the Emerald Ash Borer (EAB) will remain at \$100,000 in 2011. Additionally, the 2011 Budget includes \$93,000 for a replacement radio system for the Public Works Department as mandated by the Federal Communications Commission as well as two new dump trucks and two sidewalk snow plows to ensure efficient and effective snow removal services.

- **Boards and Commissions Budgets**

The 2011 Budget reflects a \$1,300 reduction in the funding of Fine Arts events and maintains funding for Youth Commission Grants and Housing Assistance Program. The Youth Grants will be subsidized through the use of Clappitt Estate Funds and housing funds will be partially subsidized (\$20,000) from the Village's affordable housing escrow account.

- **Future Years**

Projections for 2012 and 2013 are contained with this submittal. While projected revenue growth will meet the expense growth suggested in these analyses, no capital expenses have been factored in to the expense assumptions. The revenue growth also assumes tax levy increases for the 2011 and 2012 levies will be greater than the levy growth of the past two years.

While the staff will continue to work on holding down operating costs, additional borrowing may be necessary to fund future capital expenses (further increasing the levy projections). Alternatively, identifying new revenues or determining acceptable levels of service reductions may factor into future budgets. These policy decisions will likely be contingent on the economic conditions over the next three years.

2011 WATER & SEWER FUND BUDGETS

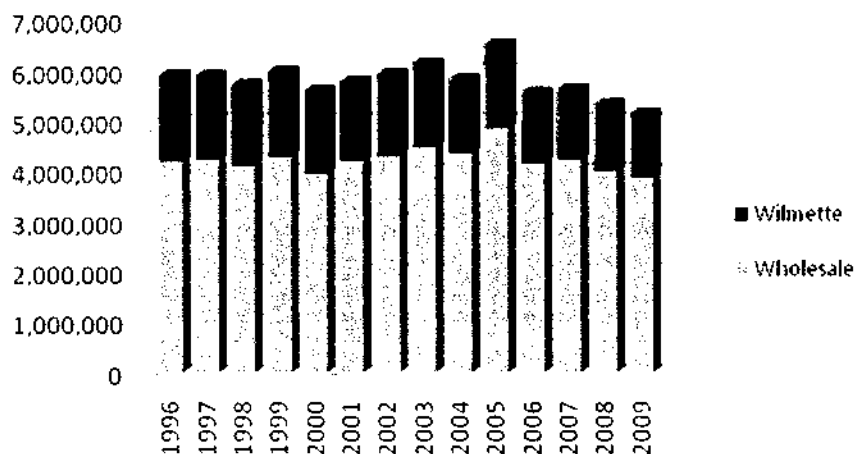
The Village maintains two enterprise funds that account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund.

- **Discussion of Water/Sewer Fund Revenues**

The Water and Sewer funds are intended to be self-supporting funds through the revenues received from wholesale water sales to the Village of Glenview and to the Illinois American Water Company, along with the water and sewer fees charged to the residents of Wilmette. Over the past several years, water and sewer revenues have declined significantly due to lower than projected water consumption. The 2010 Budget assumed a reduction in average consumption for both water and sewer, to better match the revenues derived from actual usage and to reflect trends over the past three years, and that assumption has been further reduced for the 2011 Budget.

Village of Wilmette 2011 Water and Sewer Funds Budget

History of Water Sales Volume - Measured in CCF



The above chart illustrates actual sales (measured in hundred cubic feet (CCF)) from 1996 through 2009. The 2009 sales volume declined from 2008, as the area has experienced one of the rainiest summers in recorded history. However, current projections indicate that sales volume will not increase in 2010 despite improved weather conditions.

Sales volume projections for 2011 have been reduced for the second year in a row – by 2.8% for water revenue 2.9% for sewer revenue – to reflect the trend in usage exhibited above.

As many of the expenses in the Water and Sewer Funds are fixed costs (e.g. debt service and water production expense), revenues must be increased to meet these fixed expenses. The combined water and sewer rate will increase by 46 cents (8.4%) in 2011. This increase is necessary to meet the Village's debt service requirements and to begin to replenish the depleted reserve in these two Funds.

- ***Discussion of Expense Categories***

Through continuous monitoring of the Village's financial position specifically in the Water Fund, certain operating expense reductions were made in 2010 that allowed for the fund to absorb the \$250,000 combined shortfall in the residential and wholesale revenues along with an unbudgeted \$200,000 transfer to the Sewer Fund to add to its reserve. Key expense reductions occurred in the Personnel, the Other Operating and Capital expense categories.

Operating expense in the Water Fund is projected to increase about \$70,000 (1%) and in the Sewer Fund by about \$150,000 (4%). Included in this is increased debt service of \$25,000 and \$67,000 for the Water and Sewer Funds respectively. The expense categories for the water and sewer funds mirror those of the General Fund and are discussed below:

- ***Personnel***

The personnel assigned to Water and Sewer Funds are charged with maintaining the Village's water and sewer mains in addition to operating the Village's Water Plant. In 2010, employee headcount has been reduced by one full-time position by eliminating two part-time positions for a total of 16 full time equivalents (FTE) at the Water Plant. The Water Distribution/Sewer staffing remains at 12 FTE.

Water Fund personnel expense is reduced \$30,000 (1%) in the 2011 Budget, while Sewer Fund personnel expense is projected to grow by about \$25,000 (4%).

- ***Other Operating Expense***

With increase costs for power, the 2011 budget for other operating expenses is about \$25,000 (1.6%) greater than in 2010. Other operating expenses in the Sewer Fund are budgeted with a \$21,000 increase in 2011.

Capital Expenses

As recommended at the joint meeting of the Municipal Services and Finance Committee, the following capital expenditures were included in the 2011 Water and Sewer Fund Budget to maintain the Village's water and sewer infrastructure:

| | |
|-----------------------------|-----------|
| • Sewer Lining & Rehab | \$900,000 |
| • Sewer Main Repairs | \$675,000 |
| • Relief Sewer Improvements | \$650,300 |

| | |
|--|--------------------------|
| • Pilot Program for Separate Sewer Detention | \$200,000 |
| • SCADA System Improvements | \$600,000 |
| • Standpipe Reconditioning | \$1,150,000 |
| • Energy Efficient Motors at the Water Plant | \$80,000 (Grant Funded) |
| • Tuckpointing at the Water Plant | \$180,000 (Grant Funded) |

- ***Future Years***

Complete long range cash flows are included in this budget through the 2013 fiscal year. Revenues provide for a 3.2% rate increase in 2012 and no rate increase needed for 2013. The wholesale rate is projected to increase by 6% in 2013 as that will be the next year impacted by a rate recalculation. These rate increases along with the aforementioned volume reductions are projected to raise the Water Fund's reserve balance above the recommended minimum level by 2013 and to make significant progress in doing the same in the Sewer Fund.

Acknowledgements

In preparing my first Budget as the new Village Manager in 2010, I fairly described the annual Budget as the Village's "most important document."

The Budget is the basis of all we provide to the residents and all we do as an organization. The Village of Wilmette, above all, is an entity whose whole purpose is service. Whether it is responding to a call for help due to police, fire or medical emergency, providing safe water, safe streets, safe homes and safe places to do business, cleaning up the snow, tree limbs and storm debris, planning for the community's economic future or its need to remove wastewater, every Village department is there to provide a critical public service without which the community would be diminished.

Within the Budget and the process by which it is created, we do the difficult work of balancing need with resources, and expectations with economic reality. In the continuing adverse economic environment, we have faced unprecedented challenges to match service with resources. The challenge has been met, in large part, by treating each year's Budget as a living document that must continuously be improved throughout the course of the fiscal year. Credit for that goes to the entire Village staff, whose good work is on daily display, as progressively fewer individuals each do more with less, and then finds ways to do more still. I am deeply grateful to all the members of the staff, who continue to serve Wilmette with professionalism and skill.

To each of the Village's department heads, I remain grateful for your skill and leadership in another difficult year, and for your hard work in preparing our Budget.

I would also like to express my sincere gratitude to each of the Village's elected public officials. Since being appointed Village Manager, I have benefited from your collective support, guidance and confidence. Your example to the community of thoughtful, respectful and informed discussion and decision-making is appreciated and respected by all of the Village staff.

Finally, I wish to express my sincere gratitude to the Village's Budget Team: Mr. Amoruso, Ms. Gargano, Mr. Braiman and Ms. Vetter. Only those public officials and public employees who have been part of such a complex undertaking can adequately appreciate both its importance and the enormous amount of work and dedication it takes to produce the finished product. In the budget team, the Village has the benefit more than sixty combined years of experience, insight, institutional knowledge, and skill, and the entire Village benefits thereby.

Respectfully submitted,

Timothy J. Frenzer
Village Manager

Village of Wilmette 2011 Budget Fee Schedule

Reflects 3% fee indexing for permit and planning fees consistent with personnel expense

| | <u>2007 Budget</u> | <u>2008 Budget</u> | <u>2009 Budget</u> | <u>2010 Budget</u> | <u>2011 Budget</u> | <u>% Increase from 2010</u> |
|--|--|--|--|--|---|---|
| Fines: | | | | | | |
| Parking Fines | \$25 | \$25 | \$25 | \$35 | \$35 | 0% |
| Returned Checks | Greater of \$25 or 10% of amount of NSF check | Greater of \$25 or 10% of amount of NSF check | Greater of \$25 or 10% of amount of NSF check | Greater of \$25 or 10% of amount of NSF check | Greater of \$25 or 10% of amount of NSF check | 0% |
| Licenses: | | | | | | |
| Sales of Vehicle Licenses | \$25/\$50/\$75 | \$75 | \$80 | \$80 | \$80 | 0% |
| Truck Licenses | \$90 | \$90 | \$95 | \$95 | \$95 | 0% |
| Sales of Taxi Licenses | \$80 | \$80 | \$80 | \$125 | \$125 | 0% |
| Business Licenses | \$75/\$150/\$225 | \$80/\$160/\$235 | \$80/\$160/\$235 | \$80/\$160/\$235 | \$80/\$160/\$235 | 0% |
| Late Fee- Business Licenses | n/a | n/a | n/a | \$160/\$320/\$470 | \$160/\$320/\$470 | 0% |
| Contractor Licenses | \$50 | \$50 | \$50 | \$75 | \$75 | 0% |
| | From \$1,000 to | From \$1,000 to | From \$1,000 to | From \$1,000 to | From \$1,000 to | 0% |
| Liquor Licenses | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | |
| Food Handler's License | \$125/\$185/\$245 | \$130/\$195/\$255 | \$130/\$195/\$255 | \$175/\$305/\$435 | \$175/\$305/\$435 | 0% |
| Temporary Food Event | n/a | n/a | n/a | \$25 / \$50 | \$25 / \$50 | 0% |
| Late Fee- Temporary Food Event | n/a | n/a | n/a | n/a | \$50 / \$100 | New |
| Permits: | | | | | | |
| Building Permits | \$15.00/k + \$30 inspection | \$16/k + \$31 inspection | \$17.38/k + \$33 inspection | \$17.90/K + \$35 inspection | \$18.45/K + \$36 inspection | 3% |
| Right of Way Permits | \$48 | \$51 | \$54 | \$55 | \$57 | 3% |
| Electric Permits | Base of \$36 + fee / service install. Base of \$36 + \$6.00 | Base of \$38 + fee / service install. Base of \$38 + \$6.00 | Base of \$40 + fee / service install. Base of \$39 + \$7.00 | Base of \$40 + fee / service install. Base of \$40 + \$7.00 | Base of \$41 + fee / service install. Base of \$60 + \$2.00 | 3% 50% increase in base and 71% decrease per fixture |
| Plumbing Permits (Residential) | per fixture Base of \$36 + \$6.00 | per fixture Base of \$38 + \$6.00 | per fixture Base of \$39 + \$7.00 | per fixture Base of \$40 + \$7.00 | per fixture Base of \$80/\$74/\$100 | 100%/85%/150% increase in base and -71%/-57%/-43% per fixture |
| Plumbing Permits - Duplex/Condo/Commercial | per fixture | per fixture | per fixture | per fixture | + \$2/\$3/\$4 per fixture | fixture |
| Dumpster Permits | \$36 | \$37 | \$39 | \$40 | \$41 | 3% |
| Fence Permits | \$30 | \$31 | \$33 | \$35 | \$36 | 3% |
| Roof Permits | \$30 | \$31 | \$33 | \$35 | \$36 | 3% |
| Tent Permits | \$60 | \$63 | \$66 | \$70 | \$72 | 3% |
| Swim Pool Permit Fee | \$14.00 per \$1,000 valuation | \$16.00 per \$1,000 valuation | \$16.80 per \$1,000 valuation | \$17.90 per \$1,000 valuation | \$18.45 per \$1,000 valuation | 3% |
| Private Spa Permit Fee | \$14.00 per \$1,000 valuation \$50 | \$16.00 per \$1,000 valuation \$53 | \$16.80 per \$1,000 valuation New Homes- \$200; | \$17.90 per \$1,000 valuation New Homes- \$205; | \$18.45 per \$1,000 valuation New Homes- Village Cost + \$211; | 3% 3% |
| Grading Permit | | | All Other- \$100 | All Other- \$105 | All Other- \$108 | |
| Demolition Fee - Prin | \$1,764 | \$1,852 | \$1,945 | \$2,005 | \$2,065 | 3% |
| Plan Review Fees, Res | \$60 / \$94 / \$156 | \$66 / \$98 / \$164 | \$69 / \$103 / \$172 | \$70 / \$105 / \$180 | \$72 / \$108 / \$185 | 3% |
| Plan Rev. Fees, Comm | \$156 / \$250 | \$164 / \$262 | \$172 / \$276 | \$185 / \$285 | \$190 / \$294 | 3% |
| Inspections | \$30 | \$31 | \$33 | \$35 | \$36 | 3% |
| Permit Penalties | \$119 or 50% | \$125 or 50% | \$131 or 50% | \$135 or 50% | \$139 or 50% | 3% |
| Tapping fees | Village cost + \$35 | Village cost + \$37 | Village cost + \$39 | Village cost + \$40 | Village cost + \$41 | 3% |
| Water meter fees | Village cost + \$35 | Village cost + \$37 | Village cost + \$39 | Village cost + \$40 | Village cost + \$41 | 3% |
| Construction water fees | \$1.19 / \$0.60 | \$1.25 / \$0.63 | \$1.31 / \$0.66 | \$1.35 / \$0.70 | \$1.39 / \$0.72 | 3% |
| Fire Plan Review | \$150 | \$150 | \$150 | \$150 | \$155 | 3% |
| Planning and Zoning Filing Fees: | | | | | | |
| ZBA/ARC/PC fees | \$95-\$596 | \$101-\$626 | \$106-\$657 | \$110-\$690 | \$113-\$711 | 3% |
| Temp Use-six days - | \$96 | \$101 | \$106 | \$110 | \$113 | 3% |
| ARC-appear certificate | \$96 | \$101 | \$106 | \$110 | \$113 | 3% |
| Service Charges: | | | | | | |
| Refuse Charges | \$14.90 / month | \$15.65 / month | \$17 / month | \$19.50 / month | \$20.20 / month | 3.59% |
| Ambulance Transport Fees | BLS \$350 / | BLS \$450/ALSI | BLS \$450/ALSI | BLS \$450/ALSI | BLS \$450/ALSI | 9.00% for mileage for Medicare reimbursement rates |
| | ALS \$450 | \$550/ALSIHS700 - plus mileage \$5.00 | \$550/ALSIHS700 - plus mileage \$5.00 | \$550/ALSIHS700 - plus mileage \$6.87 | \$550/ALSIHS700 - plus mileage \$7.50 | |
| Burglar & Fire Alarm Service | Scaled Rate- Average is \$100 | Scaled Rate- Average is \$100 | Scaled Rate- Average is \$100 | Scaled Rate- Average is \$100 | Scaled Rate- Average is \$100 | 0.00% |
| Elevator Inspections | \$60 | \$63 | \$66 | \$70 | \$72 | 3% |
| Elevator Plan Rev Fee | \$15.00 per \$1,000 valuation | \$16.00 per \$1,000 valuation | \$16.80 per \$1,000 valuation | \$17.90 per \$1,000 valuation | \$18.45 per \$1,000 valuation | 3% |
| Yard Waste Stickers | \$2.25 per sticker | \$2.25 per sticker | \$2.25 per sticker | \$2.25 per sticker | \$2.25 per sticker | 0% |
| Vehicle Fuel Tax | 0.01 cent per gallon | 0.01 cent per gallon | 0.01 cent per gallon | 0.01 cent per gallon | 0.01 cent per gallon | 0% |

WILMETTE COMMUNITY PROFILE

The Village has long been known as one of the most prestigious residential areas in the Chicago metropolitan area. It is one of the eight Chicago suburban communities fronting on Lake Michigan and collectively referred to as "the North Shore." In addition to its lake front amenities with fine parks, recreational facilities and prominent schools, the transportation arteries serving the Village are outstanding.

History

The French trader Antoine Ouilmette settled in the area in the late 1790s. The development of Wilmette commenced in 1839 after the family of French trader Antoine Ouilmette abandoned land granted to them in appreciation of Mr. Ouilmette's efforts in settling the Indian wars. The land fronted on Lake Michigan in what is now Wilmette. The railroad was built through Wilmette in 1854. In 1872, the Village of Wilmette was incorporated and included approximately 525 acres. The area to the west of Wilmette was settled by immigrant farmers from Trier, Germany. That area was incorporated in 1874 as the Village of Gross Point. In 1919, the Village of Gross Point dissolved and much of it was annexed to Wilmette in 1924. The last significant annexation occurred in 1926 and included the area that is just west of what is now the Edens Expressway (Interstate 94).

Location

The Village of Wilmette is located approximately 15 miles north of downtown Chicago in New Trier Township with a small portion in Northfield of Cook County. The Village extends approximately five miles west from Lake Michigan and is approximately one mile wide (its area is 5.4 square miles). Its municipal neighbors include Evanston and Skokie to the south, Glenview to the west and Kenilworth and Northfield on the north. The Village of Winnetka and part of the western boundary of Wilmette are separated by an unincorporated, residential area.

Population

Wilmette is home to an estimated 27,651 people (2000 Federal Census). Children and youth aged 17 and younger make up 30% of the population. Persons age 65 and above, are 17% of the population. The median age is 42.1 years. People of Asian ethnicity make up 8% of the population while the Hispanic and African American population of Wilmette is 2% and .6%, respectively, of the total population. Wilmette's population is educated with 73% of the population 25 years and older having a Bachelor degree or higher.

The Jurisdictional Statistics Tab contains more general information regarding size, development, and infrastructure of the Village, a list of other governmental units serving the Village, and a list of the principal property tax payers.

BUDGET FORMULATION PROCESS

Overview

The Village of Wilmette's budget, when adopted by the Village President and Board of Trustees, becomes the official financial plan for the Village's operating departments. Consequently, this makes preparation of the budget one of the most important administrative duties performed each year. The information included in this section is designed to provide residents, elected officials and employees with an overview of the budget formulation process. Since the budgetary process involves all operating departments, advisory boards and commissions and Village Board members, this summary does not include every aspect of the budget formulation process. However, it can be used as a guide in understanding how the Village creates its annual budget.

The Village takes a collaborative approach to budget development that begins each July when the Village staff meets to review the budget schedule and discuss issues regarding the coming fiscal year. The budget process ends after the Village Board conducts a series of public meetings to review the proposed budget and approves the appropriations ordinance. Below is the schedule for the preparation of the 2011 fiscal year budget:

2011 Budget Formulation Process (All referenced activities occurred in 2010)

1. Quarterly Financial Review – May 18

At the Quarterly Financial Review the Village Board meets, sitting as a Committee of the Whole, to review first quarter budget performance, preliminary personnel projections for the upcoming budget year, establishes tax levy parameters for the upcoming budget year and establishes water and sewer rate parameters for the upcoming budget year.

2. Budget preparation papers distributed - June 9

Village staff responsible for the development of program budgets received packets detailing the budget schedule from the Budget Team (consisting of senior staff in the Village Manager's Office and the Finance Department).

3. Review of Five-Year Capital Improvement Program – July 15

The Municipal Services Committee and Finance Committee of the Village Board jointly reviewed the five-year capital improvement program and made recommendations to the full Village Board regarding projects to be funded in the upcoming budget year.

4. Proposed department budgets submitted to Budget Team - July 30

Departments submit their proposed budgets to the Budget Team inclusive of activity measures, objectives and accomplishments, capital improvement modifications, account justifications, personnel change requests, and other "additional requests," which are requests outside of the normal annual operating expense of the program.

5. Department heads meet with Budget Team - August 9 through August 27

The Budget Team meets with department representatives to review the department's budget proposal.

BUDGET FORMULATION PROCESS

6. Budget presented to Village Board of Trustees - October 1

Once staff completes its review and revises the proposed budget accordingly, it is presented to the Village Board. By ordinance, the proposed budget must be presented by the Village Manager at a regular meeting of the Village Board. The proposed budget is also made available for public inspection at the local library and the Village Hall at this time.

7. Village Board budget meetings - October 7

The Village Board, meeting as a Committee of the Whole, schedules as many as four public meetings to review the proposed budget with subsequent meetings held as needed to finalize any remaining matters that arise during the first meeting. In 2010, only one budget meeting was necessary to finalize the 2011 budget. The Quarterly Financial Review, Capital Improvement Program meeting and Mid-Year Financial Review referenced above provided a framework from which Village staff worked when drafting the 2011 Budget.

8. Introduction and adoption of the appropriations ordinance - November 9 and November 23

The adoption of the appropriations ordinance is a two-step process that involves action at two separate regular Village Board meetings. The appropriation ordinance is introduced at the first meeting. The ordinance that is introduced is drafted from the originally submitted budget along with any changes that the Village Board recommended during the aforementioned Committee of the Whole meetings. The second regular Village Board meeting is designated as a public hearing as required by State statute and is the final opportunity to receive final public input regarding the budget. It is at the second meeting that the budget is passed into law.

9. Introduction and adoption of tax levy-November 23 and December 14

The adoption of the tax levy is a two-step process that involves action at two separate Village Board meetings. The tax levy is introduced at the first meeting, which coincides with the adoption of the appropriations ordinance. The tax levy ordinance is adopted by the Village Board at the second meeting. This is the final opportunity to receive public input regarding the levy. By Statute, the tax levy must be filed with Cook County by the fourth Tuesday in December.

Under the Illinois Municipal Code, once adopted, the appropriations ordinance cannot be increased without a public petition or referendum within the community. A supplemental appropriation ordinance may be adopted if unexpected or unanticipated revenues are received. Such an ordinance would follow the same procedural guidelines as noted above. The Village Board may transfer appropriations within a fund through the passage of a transfer ordinance.

The Village, as a "Home Rule" unit of government, has additional authority beyond that governed by the Illinois Municipal Code. Accordingly, the Village has developed a procedure so that transferring appropriations is unnecessary. If any one of the five expense categories (defined as personnel, contractual services, commodities, other expense, and capital outlay) in a budget program is going to exceed its budget, the Village Board approves a budget variance report. In this report, staff will identify savings in other areas or note whether unanticipated revenue will offset the item that will be over budget. Using this system, the Village has never needed to change its adopted appropriations ordinance.

FUND DESCRIPTION AND PRESENTATION

The financial transactions of the Village are reported in individual funds. Funds are organized into three categories: governmental, proprietary, and fiduciary. Additionally, under GASB Statement No. 34, funds within these categories are considered major or nonmajor. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures / expenses of an individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

Total assets, liabilities, revenues, or expenditures / expenses of an individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

The Village maintains the following governmental funds:

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. For its size and as the primary operating fund of the Village, it is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Following the close out of the Village's War Memorial Fund in 2006, the Village maintains only one special revenue fund. The Motor Fuel Tax Fund accounts for the revenues and expenditures for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of State motor fuel tax. Under the aforementioned guidelines, the Motor Fuel Tax Fund is considered nonmajor.

Debt service funds are used to account for the periodic payment of principal and interest on general long-term debt. The Village maintains one debt service fund, which accounts for the accumulation of monies for the payment of general obligation debt service. This fund meets the guidelines to be classified as major.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The 2007, 2009 and a new 2010 bond issue will not be closed out at the end of 2010. The 2007 bond issue is pending a final invoice from the State for the Sheridan Road project. The \$1.6 million 2009 issue will have an unspent balance of about \$1 million at the end of 2010. That amount and nearly all of the \$1.5 million 2010 issue will be spent down as a part of the 2011 budget. Through 2011, the Capital Projects Funds cumulatively will meet the guidelines for a major fund.

FUND DESCRIPTION AND PRESENTATION

Proprietary Funds

The Village maintains the following proprietary funds:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The Village maintains two major proprietary funds, the Water Fund and the Sewer Fund, which accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

The Village also maintains a Parking Meter Fund, which accounts for all activity necessary for provision of parking in the Village, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

Internal Service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the District on a cost-reimbursement basis. The Village maintains four internal service funds, the Municipal Garage Fund, the Employee Insurance Fund, the Workers' Compensation Fund, and the Illinois Municipal Retirement Fund.

Fiduciary Funds

The Village budget contains the following fiduciary funds:

Two **Pension Trust Funds** are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

The Village's Section 105 Sick Leave Fund is technically an internal service fund under GAAP guidelines. The Village budget treats this as a fiduciary fund as its long term goal is the accumulation of resources to fund qualifying retirees' unused sick leave benefits. It does not meet GAAP guidelines for fiduciary funds as the assets are not maintained in a separate trust.

BASIS OF BUDGETING

The budget for the Village of Wilmette is prepared using a current financial resources measurement focus for all funds. With this measurement focus only current assets and current liabilities are reflected as components of working cash. Long-term debt and fixed assets are not considered components of working cash, however current year debt service and capital purchases are reflected as budgetary expenditures.

The modified accrual basis of accounting is used for all funds. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e. when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. For budget purposes, the Village uses a time frame of within 30 days of year-end to meet the availability standard.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as liabilities when due or when amounts have been accumulated in debt service reserves for payments to be made early in the following year. The Village uses encumbrances in its budgetary accounting. These amounts are considered unavailable from a working cash perspective.

The availability standard used for financial reporting (prepared using generally accepted accounting principles (GAAP)) uses a longer time frame, which accounts for those assets and liabilities not reflected in working cash that are reflected in Fund Balance or Retained Earnings. Following this narrative is a reconciliation of the December 31, 2004 through December 31, 2009 GAAP Fund Balances to the budgetary basis working cash balances for the General Fund, General Capital Projects, Water Fund, Water Capital Projects and Sewer Fund. In the other funds, working cash does not differ substantially from Fund Balance.

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Village of Wilmette FY 2011 Budget
Basis of Budgeting

Reconciliation of GAAP Basis Fund Balance to Budgetary Basis Reserve Balance

| | <u>General Fund</u> | | | | | |
|---|---------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>12/31/04</u> | <u>12/31/05</u> | <u>12/31/06</u> | <u>12/31/07</u> | <u>12/31/08</u> | <u>12/31/09</u> |
| Fund Balance (GAAP basis) | 5,498,686 | 6,319,221 | 7,009,303 | 7,686,284 | 6,631,368 | 5,067,636 |
| Less assets considered unavailable from a budgetary basis perspective: | | | | | | |
| Unbilled Water / Sewer accounts receivable | (99,000) | (113,000) | (120,000) | (126,000) | (141,000) | (150,000) |
| Sales tax receivable | (774,600) | (908,600) | (945,000) | (1,014,800) | (880,300) | (835,400) |
| Utility tax receivable | (456,729) | (505,802) | (437,835) | (516,246) | (444,192) | (470,228) |
| Notes receivable | (535,565) | (425,565) | (320,565) | (255,000) | (220,000) | (180,000) |
| Cable TV franchise fee receivable | (66,023) | (69,429) | (80,889) | (90,867) | (100,219) | (100,712) |
| E-911 Surcharge receivable | (25,266) | (25,406) | (24,087) | (23,745) | (23,299) | (22,049) |
| Other accounts receivable | (34,386) | (28,596) | (38,594) | (28,595) | (31,779) | (32,538) |
| Restricted assets | (219,247) | (121,908) | (119,199) | (117,319) | (110,436) | (101,948) |
| Section 105 Fund cash | (153,441) | - | - | - | - | - |
| Road Program escrow | - | - | - | (492,847) | (984,584) | (469,008) |
| Affordable Housing escrow | - | - | - | (76,661) | (78,042) | (88,430) |
| Plus Liabilities not considered current from a budgetary basis perspective: | | | | | | |
| Less Fund Balance considered unavailable from a budgetary basis perspective: | | | | | | |
| Reserve for encumbrances | (153,504) | (44,173) | (198,872) | (242,326) | (6,850) | (14,668) |
| Reserve Balance (budgetary basis) | 2,980,925 | 4,076,742 | 4,724,262 | 4,701,878 | 3,610,667 | 2,602,655 |

Reconciliation of GAAP Basis Fund Balance to Budgetary Basis Reserve Balance

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Village of Wilmette FY 2011 Budget
Basis of Budgeting

Reconciliation of GAAP Basis Fund Balance to Budgetary Basis Reserve Balance

| | Water Fund | | | | | |
|---|-------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | <u>12/31/04</u> | <u>12/31/05</u> | <u>12/31/06</u> | <u>12/31/07</u> | <u>12/31/08</u> | <u>12/31/09</u> |
| Fund Balance (GAAP basis) | 9,132,433 | 10,220,030 | 10,493,639 | 11,322,465 | 13,193,056 | 13,571,996 |
| Less assets considered unavailable from a budgetary basis perspective: | | | | | | |
| Unbilled Water / Sewer accounts receivable | (205,000) | (217,000) | (236,000) | (290,000) | (352,000) | (393,000) |
| Section 105 Fund cash | (18,482) | - | - | - | - | - |
| Less: | | | | | | |
| Fixed Assets and deferred bond issue discounts | (30,255,924) | (30,400,419) | (30,884,177) | (31,180,856) | (32,854,656) | (32,610,319) |
| Plus Liabilities not considered current from a budgetary basis perspective: | | | | | | |
| Accrued vacation | 284,700 | 117,700 | 118,800 | 140,300 | 136,800 | 143,200 |
| Bonds payable | 22,030,154 | 21,654,823 | 21,320,000 | 20,880,000 | 20,215,000 | 19,550,000 |
| Less Fund Balance considered unavailable from a budgetary basis perspective: | | | | | | |
| Reserve for encumbrances | - | - | (108,942) | (13,145) | - | - |
| Reserve Balance (budgetary basis) | 967,881 | 1,375,134 | 703,320 | 858,764 | 338,200 | 261,877 |

| | Sewer Fund | | | | | |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | <u>12/31/04</u> | <u>12/31/05</u> | <u>12/31/06</u> | <u>12/31/07</u> | <u>12/31/08</u> | <u>12/31/09</u> |
| Fund Balance (GAAP basis) | 14,655,172 | 17,030,148 | 18,982,636 | 18,134,347 | 20,007,378 | 21,069,147 |
| Less assets considered unavailable from a budgetary basis perspective: | | | | | | |
| Unbilled Water / Sewer accounts receivable | (395,000) | (401,000) | (401,000) | (440,000) | (463,000) | (513,000) |
| Section 105 Fund cash | (4,117) | - | - | - | - | - |
| Less: | | | | | | |
| Fixed Assets and deferred bond issue discounts | (38,486,785) | (38,613,764) | (39,444,167) | (40,015,356) | (40,193,936) | (41,003,640) |
| Plus Liabilities not considered current from a budgetary basis perspective: | | | | | | |
| Accrued vacation | 16,300 | 16,800 | 17,500 | 22,600 | 19,600 | 16,900 |
| Debt service payable | (213,115) | (213,115) | (213,115) | (213,115) | (213,115) | (213,115) |
| Bonds payable | 24,666,131 | 22,982,271 | 21,642,127 | 22,897,763 | 21,051,017 | 20,669,729 |
| Less Fund Balance considered unavailable from a budgetary basis perspective: | | | | | | |
| Reserve for encumbrances | - | (158,000) | (108,942) | (13,145) | (23,016) | - |
| Reserve Balance (budgetary basis) | 238,586 | 643,340 | 475,039 | 373,094 | 184,928 | 26,021 |

Village of Wilmette FY 2011 Budget
Basis of Budgeting

Reconciliation of GAAP Basis Fund Balance to Budgetary Basis Reserve Balance

| Water Fund Capital Projects | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>12/31/04</u> | <u>12/31/05</u> | <u>12/31/06</u> | <u>12/31/07</u> | <u>12/31/08</u> | <u>12/31/09</u> |
| 6,063,914 | 5,553,307 | 4,878,339 | 4,201,206 | 1,796,024 | 1,331,629 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 6,063,914 | 5,553,307 | 4,878,339 | 4,201,206 | 1,796,024 | 1,331,629 |

| Sewer Fund Capital Projects | | | | | |
|------------------------------------|------------------|-----------------|------------------|------------------|------------------|
| <u>12/31/04</u> | <u>12/31/05</u> | <u>12/31/06</u> | <u>12/31/07</u> | <u>12/31/08</u> | <u>12/31/09</u> |
| 2,232,350 | 1,424,754 | 493,694 | 2,229,642 | 1,350,622 | 1,260,694 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,232,350 | 1,424,754 | 493,694 | 2,229,642 | 1,350,622 | 1,260,694 |

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CASH FLOW PROJECTIONS

This section describes the Village's budget policy. This includes the basis for financial forecasts and how the appropriate level of working cash is derived for each fund.

The assumptions used in the cash flow projections are included in this section followed by the cash flow projections for each fund which extend two years beyond this budget.

FINANCIAL POLICIES

Budget Reserve Policy – Amended and adopted by the Village Board on April 12, 2005

Current and long range cash flow projections are essential aspects of the budget process. These forecasts should be based upon (1) historical data for operating revenues and expenditures, (2) the proposed capital spending per the Village's five year Capital Improvements Program, and (3) any anticipated changes in service levels and/or fee structures.

Operating revenues are defined as those revenue sources which are anticipated to recur on an annual basis. Examples would be the property tax, sales tax, utility tax and the income tax. Non-recurring revenues such as grants or bond proceeds should be projected separately from operating revenues.

Similarly, operating expenses are defined as those expenditures which recur on an annual basis. In the cash flow charts, operating expenses have been broken down into the categories of personnel and fringe benefits, refuse collection and disposal, and other operating expenses.

Non-recurring expenditures include all capital outlay as well as any other expenses that do not recur annually. Examples of this would be a consulting study or an expenditure that related to a one time revenue such as a grant.

The Village Board has adopted the following **Budget Policy**:

Operating revenues should exceed operating expenses. Current revenues should be sufficient to pay for current expenses. If non-recurring revenues or reserve funds are used to fund operating expenses, this will ultimately have an adverse impact on the property tax levy or necessitate reductions in service levels.

A portion of the capital outlay expenditures should be financed from operating revenues. While these expenses may not recur individually, a portion does recur collectively. Thus, the financing of these items is most appropriately done from operating revenues.

Other non-recurring expenditures may be financed from non-recurring revenue sources or through reductions in the reserve balances. This assumes that if reserve funds are used to finance certain non-recurring expenditures, the overall budget reserve levels will not fall below the recommended minimum reserve balances as adopted by the Village Board.

When setting the property tax levy, consideration should be given to the historical relationship between the property tax and expenditures. Property tax receipts are a significant portion of General Fund revenues. A consistent relationship between the property tax and General Fund expenditures will provide for greater revenue stability under varying economic conditions.

The Village of Wilmette shall strive to maintain adequate cash reserves in each of its funds. These reserves shall be created and maintained to provide the capacity to:

1. Offset significant economic downturns or revenue shortfalls;
2. Provide sufficient cash flow for daily financial needs;
3. Maintain or improve the Village's bond ratings;
4. Provide funds for unforeseen expenditures related to emergencies.

Each of the Village's Funds have somewhat unique cash flow structures. For example, funds having property tax revenue will always be at their lowest point of reserve funds just prior to the two times each year (March and September) that the Village receives its property tax. Funds that pay debt service will always be at their lowest point in their reserve funds after they have made their semi-annual debt service installments. In establishing the recommended reserve levels, these individual characteristics of the funds have been considered.

The **General Fund** annual expenditures are relatively consistent on a monthly basis except that there are large general liability, property and workers' compensation insurance premiums that are due in January each year. While much of the insurance expense is run through the Village's Internal Service Funds, these Funds do not carry any fund balance and the majority of this expense is passed through the General Fund.

The property tax accounts for nearly 37% of the total annual General Fund revenue. Other than the two months in which the Village receives property tax revenue, the total monthly expenditures of the General Fund will exceed the monthly revenues. Thus, the General Fund reserve balance will always be at its lowest point at the end of February and at the end of August (just prior to the receipt of property tax revenue). Due to the nature of some of the other revenues in the General Fund, the reserve balance at the end of February is the actual projected low point in the year.

To determine the appropriate level of General Fund reserve, estimates of revenues and expenses are made for the months of January and February. The amount that expenses are projected to exceed revenues for this two month period reflects the minimum necessary amount of cash on hand at December 31 to avoid borrowing prior to the receipt of property tax revenue. The recommended minimum budget reserve is 200% of the projected two month shortfall. A schedule detailing this calculation follows this narrative.

On an annual basis in meeting the overall minimum budget reserve, operating revenues must be at least equal to 104% of operating expenses. When actual fiscal year results are available, budget reserve amounts in excess of 25% of the projected expenditures in the next fiscal year balance shall be transferred to the Capital Projects Fund. In meeting the minimum recommended level noted above, the budget reserve shall not be projected to be reduced by more than 10% in a given fiscal year.

The **Water Fund and Sewer Fund** both have similar cash flow characteristics. Their revenues flow in steadily throughout the year with the summer months showing an increase due to lawn sprinkling. The operating expenditures are evenly distributed over the course of the year. While capital outlay occurs irregularly, major projects are funded from debt issues and, as such, do not present a cash flow concern. Debt service is paid in June and December each year and it is at these points that cash flow is at its lowest for these two funds.

With the Village on a calendar fiscal year, the lowest point for the reserves of these two funds is at the end of the fiscal year. Thus, the need for a budget reserve in these two funds is strictly to provide for reduced revenue in a given year that water sales may not achieve the budgeted amount or to accommodate any emergency expenditures which may occur. The budget reserve policy guideline for the Water and Sewer Funds shall be a balance of between 20% and 25% of projected revenues.

The **Motor Fuel Tax Fund** has a steady revenue flow of monthly allotments from the State of Illinois. Its expenditure flow consists of large capital projects that occur during the outdoor construction season. As such, all expenditures for a given year are typically completed by the end of October. The policy goal is to have two month's worth of revenue (currently about \$100,000) in reserve at year end. This policy allows for all of a current year's projects to be paid entirely from revenues received through the month of October.

The **Debt Service Fund** has its property tax levied and received in advance of its debt service payments. As such, cash flow is not a concern of this fund (note that the property tax is the sole revenue source for this fund and is equal to the projected debt service payments). **The Firefighter Pension, Police Pension and Section 105 Plan Funds** have developed substantial reserves in line with the actuarial requirements for these funds. The remaining funds, **Parking Meter Fund and Clarpitt Estate Fund** are relatively minor in terms of revenue and expense and, as such, only have a requirement that they maintain a positive reserve balance throughout the year.

Village of Wilmette 2011 Budget

General Fund Budget Reserve Analysis -- Policy Guideline Calculations

| | Projected Jan. & Feb. 2009 | Projected Jan. & Feb. 2010 | Projected Jan. & Feb. 2011 | Projected Jan. & Feb. 2012 | Projected Jan. & Feb. 2013 | Projected Jan. & Feb. 2014 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue: | | | | | | |
| General Fund | 2,575,000 | 2,660,000 | 2,753,000 | 2,863,000 | 2,950,000 | 3,038,500 |
| Total Revenue | 2,575,000 | 2,660,000 | 2,753,000 | 2,863,000 | 2,950,000 | 3,038,500 |
| Expense: | | | | | | |
| Routine General Fund Expense | 3,800,000 | 3,950,000 | 4,108,000 | 4,264,000 | 4,391,900 | 4,525,000 |
| Insurance Premiums | 425,000 | 425,000 | 425,000 | 450,000 | 480,000 | 520,000 |
| Total Expense | 4,225,000 | 4,375,000 | 4,533,000 | 4,714,000 | 4,871,900 | 5,045,000 |
| Projected expenditures in excess of revenues prior to receiving property tax | (1,650,000) | (1,715,000) | (1,780,000) | (1,851,000) | (1,921,900) | (2,006,500) |
| Plus a 100% Buffer | (1,650,000) | (1,715,000) | (1,780,000) | (1,851,000) | (1,921,900) | (2,006,500) |
| Recommended Level of Beginning General Fund Reserve | 3,300,000 | 3,430,000 | 3,560,000 | 3,702,000 | 3,843,800 | 4,013,000 |

REVENUE AND EXPENSE ASSUMPTIONS

As Fund Reserve balances are projected for two years beyond the budget year, future revenues and expenses must be estimated. These estimates are based on estimated inflation levels, growth trends developed through historical analysis and projections based upon certain policy actions taken by this and other government units. For 2011 through 2013 we have estimated inflation to be approximately 3.0% annually over this three year period. However, given the economic uncertainty following the revenue declines in 2009 and the corresponding reduction in reserve balances, revenue forecasts will need to be generally conservative.

Property Taxes – The revenue for the 2011 fiscal year represents the projected collections of the 2010 tax levy (and continued collection of the 2009 levy). In line with the Village's budget reserve policy, the portion of the tax levy used to fund recurring operations will grow in line with the expected growth in for those expenses. The 2010 tax levy increase of 3.72% is summarized in the following table:

Components of the 2010 Tax Levy increase:

| | | |
|-------------------------------------|----------------|--------------|
| General Operations | 393,215 | 2.91% |
| Debt Service – following refinance | (611,900) | -4.53% |
| Debt Service – 2010 Issue new money | 84,785 | 0.63% |
| Pension Growth | 592,000 | 4.38% |
| Sub-Total | 458,100 | 3.39% |
| Additional to replenish Reserve | 45,000 | 0.33% |
| Overall 2010 Tax Levy Growth | 503,100 | 3.72% |

The decrease in the debt service portion was due to an advance refunding of the 2002 bond issue in November 2010. This refunding was designed to provide property tax relief. The restructured debt increases the maturity by four years. The net present value savings are \$326,000 but the gross property tax levy reductions through 2018 are nearly \$13.7 million. There was a "new money" component to the 2010 issue that results in modest growth in 2010 and 2011 levies.

The increased cost of pension funding began with the 2008 tax levy and is the result of actuarial assumption changes that were implemented in 2008 (for the locally administered Fire and Police Pension Funds). These changes are the result of legislative actions by the General Assembly in recent years which allow public safety employees the ability to retire at an earlier age. The economic decline severely impacted investment earnings for the pension funds which further exacerbated this problem. The tax levy increases and the impact on the overall Village tax levy are noted as follows:

| <u>Levy Year</u> | <u>Increase for Pensions</u> | <u>% Impact</u> |
|---------------------|------------------------------|-----------------|
| 2008 Levy | \$ 172,000 | 1.40% |
| 2009 Levy | \$ 318,000 | 2.45% |
| 2010 Levy | \$ 592,000 | 4.38% |
| 2011 Levy Projected | \$ 342,000 | 2.44% |
| 2012 Levy Projected | \$ 252,000 | 1.70% |

REVENUE AND EXPENSE ASSUMPTIONS

The actuarial changes for the Fire and Police Pension Funds were planned to be phased in over a four year period. The table below details the growth in contributions over the phase in period from 2008 through 2011 with normal growth in 2012 when all new assumptions will be fully implemented:

| <u>Fiscal Year</u> | <u>Pension Contributions</u> | <u>Increase</u> | <u>% Increase</u> |
|--------------------|------------------------------|-----------------|-------------------|
| 2008 | 3,193,860 | \$ 223,770 | 7.53% |
| 2009 | 3,622,540 | \$ 428,680 | 13.42% |
| 2010 | 4,165,400 | \$ 542,860 | 14.99% |
| 2011 Budget | 4,824,280 | \$ 658,880 | 15.82% |
| 2012 Projection | 5,019,040 | \$ 194,760 | 4.04% |

The 2011 and 2012 tax levies are currently projected to grow 5.81% and 6.18% respectively. Growth in operating expenses accounts for about 2.8% of the future levy increases while the remainder is due to existing debt and the aforementioned pension funding. Efforts will be undertaken in early 2011 to reduce this growth, given that many households are still experiencing income declines from the nationwide economic downturn and these projections are well above the aforementioned inflation projections. The detail for the projected levies is included in the revenue and expense summaries. The projected revenues in each of the funds are based upon a 99.25% collection rate of their levies (based upon historical data for collections net of Cook County tax refunds).

Sales Tax – Municipalities in the State of Illinois receive a 1% sales tax on all retail sales within their corporate limits. Home rule communities may enact an additional sales tax of up to 1% more (in .25% increments), and Wilmette has adopted a .25% tax that took effect on January 1, 2005. Sales tax has performed in line with the national economy, reflected by gradual decreases from 2001 through 2004 followed by gradual increases through the first 3 quarters of 2008. The national economic downturn was noted locally in the 4th quarter of 2008 retail sales and this decline continued throughout 2009 which resulted in an 11% decrease from 2008. This drop leveled off in 2010 and the year end decrease is expected to be less than 1%.

Since much of the Village's retail sales are generated by grocery stores, it is hoped that 2011 will show some improvement and conservative growth of only 1.5% is projected for 2011, 2012 and 2013. These same factors have been used for the Home Rule Sales Tax.

Income Tax - Municipalities receive a pro rata share of the state income tax based upon their population. The share that is distributed is now 10% of the total. The Illinois economy trends similarly to the national economy and income tax revenue grew by an average of 10% annually in 2005 through 2008. While 2008 had this growth, the downturn became evident in the second half of 2008. The decline in 2009 was nearly 14% and 2010 is projected to decrease another 7%.

REVENUE AND EXPENSE ASSUMPTIONS

As with sales tax, it is hoped that the decline in income tax has reached its low point. With this same outlook, conservative zero growth of 1.5% is projected for 2011, 2012 and 2013. Given the financial condition of the State, it is a concern that this revenue could be targeted by the State to help balance their budget by reducing the local share.

Utility Tax - The Village levies a consumption tax on electric and gas utilities. It is approximately equal to a 5% charge on these utility bills. As the Village is fully developed the primary variance factor for utility usage is the weather. The revenue projections are based on average weather conditions with no growth projected at this time. A 5% telecommunications tax has been in existence since 1991 (when it was changed from a 5% utility tax). The 1991 change also provided that this tax be applicable to all types of telecommunications charges. In 1998 an additional 1% was added as an "infrastructure maintenance fee" (IMF). This increase took the place of Ameritech's franchise fees.

Due to increased usage in cellular phones, fax machines and modem devices steady growth had been seen in this revenue through FY 2000. The telecommunications tax and IMF changed from being locally collected to a statewide collection basis in 2003. The growth that was evident through FY 2000 now appears to have peaked and has begun to drop as more homes eliminate land lines and go entirely cellular. There is zero growth projected for this tax.

Real Estate Transfer Tax - The Village levies a tax upon the sale of real property at a rate of \$3.00 per \$1,000 of consideration. This revenue will fluctuate significantly with the volume of real estate sales and the market values of real properties. Average annual growth for the seven year period 1994 through 2000 was 7.5% (with a high of 28% growth in 1994 and a low of a 7% decrease in 1995). Average annual growth for 2001 through 2005 was 10% (with a high of 15.5% in 2003 and a low of 4.5% growth in 2005). The slow down noted in 2005 continued into 2006 with a 12% decrease followed by zero growth in 2007.

The national housing market declined significantly in 2008 and Wilmette was not immune to this decline with a nearly 35% decrease. The decrease is attributable to both market value declines and sales volume. This downturn continued into 2009 with another 26% decrease. The 2010 budget projected that this revenue had reached a low point and would return to the level of 2008 (growth of 26%). As an example of how volatile this revenue can be, the current 2010 projection calls for 52% growth. Growth in future years is conservatively projected at 2.6% in 2011, followed by 3% in 2012 and 2013.

Interest Earnings - Falling interest rates have brought the Village's short term earnings to a level of less than 1% on its cash balances and this is not expected to improve in the near future. No change is projected through 2013 in this regard. The interest earnings from bond proceeds will decrease as the Village spends down its bond proceeds and should be nominal in 2011.

Permits and Licenses - The rates for these fees are established locally. Permit revenue grew substantially with 26% average annual growth from 2001 through 2007. This increase was the result of: (1) a greater volume of home remodeling projects in Wilmette, (2) greater average value of the remodeling projects that are occurring and (3) increases in the permit rates that the Village regulates.

REVENUE AND EXPENSE ASSUMPTIONS

As with the housing market, home remodeling dropped off substantially in the second half of 2008 and this worsened in 2009 – a 22% decline in 2008 and a 29% further decline in 2009. No increase in revenue was projected for 2010 but it should be noted that the 2010 budget of \$1.16 million was set prior to additional 9% revenue declines in 2009.

The current projection for 2010 indicates a 10% increase in revenue over 2009 and activity is trending upward. This is consistent with the uptick in real estate transfer tax revenue wherein there is likely some pent up demand following two years of declines. This is expected to continue into 2011 where 4% revenue growth is anticipated (all from greater activity and no fee increases) followed by 3% growth from fee increases in both 2012 and 2013.

In 2007 the Village's vehicle license fee was increased from a rate of \$50 to \$75. The first \$5 of this increase is part of the fee indexing to keep revenue growth in line with expenses. The remaining increase is used toward the Village's road resurfacing program which had been financed by debt since 1999. A Village goal was to finance this through operating revenues beginning in 2009 and this was one step toward achieving that goal. Another \$5 increase occurred in 2009 for fee indexing. No growth is projected through 2013.

Fees for business licenses for food handlers and for contractors were increased in 2010 following a number of years without increases. As with vehicle licenses there is zero growth projected for all other license revenue through 2013.

Refuse and other Service Charges – The monthly refuse charge represents about 73% of the General Fund's total service charges. This fee is increased annually in keeping with the Village's fee indexing policy. With the Village's new refuse contract in 2010 costs grew significantly and an 8% increase (from \$15.65 per month to \$17.00) took effect in 2009 followed by a 15% increase in 2010. Future years provide for annual 3.5% increases in line with the contractor's increase. Other service charges are reviewed annually (from a comparability standpoint as well as from an indexing perspective) and adjusted accordingly.

Water Fund Transfer – The Village annually transfers profits from wholesale water sales from the Water Fund to the General Fund. A budgeted transfer of \$1,000,000 will be made in 2010. The transfer amount for 2011 and beyond provides for annual increases of \$50,000.

Sewer Charges – The sewer charge was instituted in 1986 as a grant requirement of the "Build Illinois" program. The sewer charge is based upon water usage and its revenue trends will mirror residential water sales. Over time the sewer charge has become the sole manner in which the Village finances its sewer operations and sewer capital improvements.

The rate grew substantially in 1991, 1994, 1996 and 1997 for debt service related to four large sewer improvements projects (totaling more than \$33 million) which were financed through loans from the Environmental Protection Agency. Additional borrowing of over \$10 million (from both IEPA Loans and General Obligation bonds) from 2002 through 2010 have also impacted the sewer rate in order to fund the additional debt service.

REVENUE AND EXPENSE ASSUMPTIONS

The 2010 sewer rate of \$3.10 per hundred cubic feet (ccf) of water consumption consisted of 70 cents for personnel costs and other recurring operating expenses; 16 cents for contractual sewer maintenance and repairs, and; \$2.24 for debt service. Declining water sales related to weather as well as conservation have also driven this rate up.

A 34 cent increase takes effect in 2011 related to the 2010 bond issue and to increase the Sewer Fund reserve was near zero at the end of 2009 and is not expected to improve at the end of 2010. A full history of the sewer charge rate is contained in the trend analysis later in this budget and projected future increases are noted in the cash flow projections.

Water Sales – Sales declines noted above have also reduced the water Fund reserve balance. A 45 cent increase (29%) took effect in 2008 related to this followed by an 18 cent increase (9%) in 2009 and another 18 cent increase (8%) in 2010. Sales in 2010 improved somewhat and the rate increase for 2011 is 12 cents (5%). A 9 cent increase is projected for 2012 with no increase projected for 2013 as the cash flow projections indicate that the reserve will reach the recommended level by that time.

The wholesale rate is set by contract with the Village of Glenview that extends to the year 2020. Sales from 2003 through 2009 would indicate that Glenview's growth has now stabilized. The wholesale rate is re-calculated every other year and (per the contract) can never decrease.

The rate of \$1.019 / ccf took effect in 2009 remained in place in 2010. This rate reflected a 15% increase over the rate calculated in 2007. Based on Glenview's stabilized growth there is no expectation of additional sales volume. The wholesale rate will be recalculated in 2011 and again in 2013 and is estimated to grow 6% with both recalculations.

All other revenues – Fines, parking revenues, motor fuel tax, and other revenues are not expected to change significantly over the next three years. Grants and other non-operating revenues are only projected to match with corresponding non-operating expenditures.

REVENUE AND EXPENSE ASSUMPTIONS

Expenses:

Personnel & Fringe Benefits – Wage growth is projected at 3% which allows for a cost of living adjustment to the Village's Pay Plan as well employee step and longevity increases. Fringe benefit expense projections provide for the aforementioned pension growth as well as 3% growth in health insurance. Overall fringe benefits are expected to grow 6.6% in 2012 and 5.2% in 2013.

Refuse Collection Program – The new refuse contract that began in 2010 provides for 3.5% annual increase in 2011 through 2013.

Other Operating Expense – In an effort to reduce costs, the Village believes it can achieve zero growth of these expenditures as many line items in this category remain constant on an annual basis.

Capital Outlay - These expenditure estimates are based on the five-year capital improvements program. Note – until economic conditions improve, it is likely that much of this will continue to be deferred.

Debt Service - This is based upon the current debt service schedules and projected future debt issues included in this budget.

Estimated Actual Revenue and Expenditures - The long-range cash flows in the General, Sewer and Water Funds reflect two columns for 2010. The first is a budget column and the second is the "estimated actual" column. The budget column reflects the estimated revenues and the total appropriations. While the revenues in the "estimated actual" column are the same as the budget, the estimated actual expenses are projected to be below budget.

For operations, there are generally some budget savings that will occur in a given year. This is estimated at about \$50,000 in the General Fund in 2011. The contingency budget is in place for emergencies, but historically has not been used to a great extent. As such, for cash flow purposes, the estimated actual expense for the contingency budget is shown as zero.

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Village of Wilmette FY 2011 Budget
General Fund Long Range Cash Flow Analysis

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Proposed Budget FY 2011 | Estimated Actual FY 2011 | Projected FY 2012 | Projected FY 2013 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------------------|--------------------------------|----------------------|----------------------|
| Beginning Reserve | 4,724,262 | 4,689,639 | 3,610,667 | 2,615,930 | 2,602,655 | 2,643,718 | 2,643,718 | 2,643,790 | 2,661,357 |
| Receipts: | | | | | | | | | |
| Property Tax Revenue | 9,086,601 | 8,719,121 | 9,643,569 | 10,466,700 | 10,367,200 | 11,042,500 | 11,042,500 | 11,672,700 | 12,329,300 |
| Sales Tax | 3,522,784 | 3,635,888 | 3,247,381 | 3,295,000 | 3,190,000 | 3,237,850 | 3,237,850 | 3,286,400 | 3,335,700 |
| Sales Tax - Home Rule | 594,225 | 590,467 | 510,424 | 515,000 | 510,000 | 517,650 | 517,650 | 525,400 | 533,300 |
| Income Tax | 2,447,409 | 2,617,554 | 2,247,445 | 2,280,000 | 2,070,000 | 2,101,050 | 2,101,050 | 2,132,600 | 2,164,600 |
| Utility Tax | 2,661,210 | 2,790,186 | 2,666,294 | 2,615,000 | 2,675,000 | 2,675,000 | 2,675,000 | 2,675,000 | 2,675,000 |
| Personal Prop. Replacement Tax | 292,975 | 288,607 | 243,478 | 216,000 | 210,000 | 213,150 | 213,150 | 216,300 | 219,500 |
| Real Estate Transfer Tax | 1,318,662 | 862,002 | 634,160 | 800,000 | 965,000 | 990,000 | 990,000 | 1,019,700 | 1,050,300 |
| Fuel Tax | 96,613 | 83,228 | 88,958 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Transfers from Other Funds | 609,000 | 859,000 | 959,000 | 1,019,000 | 1,019,000 | 1,069,000 | 1,069,000 | 1,119,000 | 1,119,000 |
| Interest Earnings | 276,617 | 111,893 | 13,790 | 25,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Permits | 1,849,875 | 1,441,354 | 1,077,396 | 1,160,000 | 1,190,000 | 1,237,600 | 1,237,600 | 1,274,700 | 1,312,900 |
| Licenses | 1,506,920 | 1,512,365 | 1,583,931 | 1,674,600 | 1,658,600 | 1,658,600 | 1,658,600 | 1,658,600 | 1,658,600 |
| Fine Revenue | 274,026 | 391,347 | 301,546 | 380,800 | 380,800 | 405,800 | 405,800 | 405,800 | 405,800 |
| Refuse Charges | 1,554,107 | 1,634,434 | 1,787,221 | 2,024,000 | 2,024,000 | 2,094,800 | 2,094,800 | 2,168,100 | 2,244,000 |
| Ambulance Charges | 349,976 | 373,247 | 413,504 | 404,400 | 404,400 | 405,400 | 405,400 | 405,400 | 405,400 |
| E-911 Surcharge | 288,197 | 283,246 | 271,018 | 288,000 | 270,000 | 270,000 | 270,000 | 270,000 | 270,000 |
| Other Operating Revenues | 940,102 | 1,088,545 | 1,079,895 | 1,112,325 | 1,144,830 | 1,206,467 | 1,206,467 | 1,206,467 | 1,206,467 |
| Total Operating Revenues | 27,669,299 | 27,282,484 | 26,769,010 | 28,365,825 | 28,183,830 | 29,229,867 | 29,229,867 | 30,141,167 | 31,034,867 |
| Other One Time Revenues: | | | | | | | | | |
| Non-Operating Permit Revenue | 25,931 | 80,594 | - | - | - | - | - | - | - |
| FEMA Grant - RE: Storm Damage | 886,005 | 46,705 | - | - | - | - | - | - | - |
| Non-Oper. Transfer Tax | 47,598 | 18,315 | - | - | 10,000 | 15,000 | 15,000 | - | - |
| Cellular Lease revenue | 830,764 | 291,510 | 294,779 | 280,000 | 295,000 | 295,000 | 295,000 | 295,000 | 295,000 |
| Sale of Private Activity Bond | 22,884 | - | - | - | - | - | - | - | - |
| Contributions for Affordable Housing | 41,250 | - | 10,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Sale of Equipment / Property | 12,445 | 32,516 | 747 | 20,000 | 107,160 | 30,000 | 30,000 | 20,000 | 20,000 |
| Encumbrances written off | - | 44,153 | - | - | - | - | - | - | - |
| Insurance Recoveries | 6,287 | 199,698 | - | - | - | - | - | - | - |
| Grants & Other non-recurring | 100,904 | 77,550 | 71,734 | 136,000 | 161,700 | 112,505 | 112,505 | 35,900 | 30,000 |
| Total Revenues | 29,643,367 | 28,073,525 | 27,146,270 | 28,821,825 | 28,777,690 | 29,702,372 | 29,702,372 | 30,511,167 | 31,399,867 |
| Personnel Expense: | | | | | | | | | |
| Wage Expense | 13,517,896 | 14,582,832 | 14,081,782 | 14,569,415 | 14,575,870 | 14,858,285 | 14,808,700 | 15,253,000 | 15,710,600 |
| Fringe Benefits | 5,568,572 | 5,982,560 | 6,157,048 | 6,653,860 | 6,689,280 | 7,427,815 | 7,427,000 | 7,920,000 | 8,334,000 |
| Refuse Collection Program | 2,057,923 | 2,119,086 | 2,083,029 | 2,307,305 | 2,209,950 | 2,315,070 | 2,315,000 | 2,396,000 | 2,479,900 |
| Other Operating Expense | 4,339,162 | 4,615,772 | 4,240,592 | 4,373,555 | 4,272,214 | 4,347,375 | 4,347,000 | 4,347,000 | 4,347,000 |
| EAB expenses | 68,523 | 259,918 | 185,715 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 8/23/07 Storm Expenses | 1,012,595 | - | - | - | - | - | - | - | - |
| Alley, Sidewalk & Curb Maintenance Programs | 880,823 | 417,839 | 287,298 | 40,000 | 40,000 | - | - | - | - |
| Total Operating Expense | 27,445,494 | 27,978,007 | 27,035,464 | 28,044,135 | 27,887,314 | 29,048,545 | 28,997,700 | 30,016,000 | 30,971,500 |
| Contingency | 4,789 | 4,765 | 7,147 | 500,000 | 9,000 | 500,000 | - | - | - |
| Transfer to Capital Projects | - | - | - | - | - | - | - | - | - |
| Trsf. to Road Maint. Escrow | 492,847 | 491,737 | 453,100 | 470,900 | 447,000 | 457,600 | 457,600 | 457,600 | 457,600 |
| Trsf. to Affordable Housing Escrow | 66,661 | - | 10,388 | - | - | - | - | - | - |
| Trsf. to Parking Meter Reserve | 480,764 | 141,510 | - | - | - | - | - | - | - |
| Non-recurring Prof. Serv. / Grants | 276,258 | 90,119 | 151,708 | 265,655 | 251,505 | 121,575 | 121,000 | 20,000 | 20,000 |
| Capital Outlay - Depot | 207,374 | 115,448 | - | - | - | - | - | - | - |
| Capital Outlay | 703,803 | 330,911 | 496,475 | 92,900 | 141,808 | 126,150 | 126,000 | - | - |
| Total Disbursements | 29,677,990 | 29,152,497 | 28,154,282 | 29,373,590 | 28,736,627 | 30,253,870 | 29,702,300 | 30,493,600 | 31,449,100 |
| Ending Reserve | 4,689,639 | 3,610,667 | 2,602,655 | 2,064,165 | 2,643,718 | 2,092,220 | 2,643,790 | 2,661,357 | 2,612,124 |
| Recommended Reserve requirement | 3,200,000 | 3,300,000 | 3,430,000 | - | 3,560,000 | - | 3,702,000 | 3,843,800 | 4,013,000 |

Village of Wilmette FY 2011 Budget
Long Range Cash Flow Analysis
Engineering Expenses Financed by Dedicated Revenues

| | <u>2007</u> <u>Actual</u> | <u>2008</u> <u>Actual</u> | <u>2009</u> <u>Actual</u> | <u>2010</u> <u>Projection</u> | <u>2011</u> <u>Projection</u> | <u>2012</u> <u>Projection</u> | <u>2013</u> <u>Projection</u> |
|-------------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Beginning Escrow Balance | - | 492,847 | 984,584 | 469,008 | 307,008 | 206,108 | 21,200 |
| Dedicated Portion of Vehicle | | | | | | | |
| License Revenue | 324,405 | 340,907 | 337,192 | 337,000 | 337,000 | 337,000 | 337,000 |
| Fuel Tax | 96,613 | 83,228 | 88,958 | 90,000 | 90,000 | 90,000 | 90,000 |
| Pavement Degradation Fee | 71,829 | 67,602 | 26,950 | 20,000 | 20,600 | 20,600 | 20,600 |
| Dedicated Portion of | | | | | | | |
| Overweight Fines | | | | | 10,000 | 10,000 | 10,000 |
| Total Dedicated Revenues | | | | | | | |
| Transferred in from | | | | | | | |
| General Operating Fund | 492,847 | 491,737 | 453,100 | 447,000 | 457,600 | 457,600 | 457,600 |
| Road Resurfacing | | | 968,676 | 400,000 | 456,000 | | |
| Alley Maintenance | | | | 150,000 | | | |
| Brick Street Maintenance | | | | 20,000 | 42,500 | | |
| Crack Sealing | | | | 20,000 | 20,000 | | |
| Pavement Marking | | | | 19,000 | 40,000 | | |
| Total Expenses financed from | | | | | | | |
| Dedicated Revenues | - | - | 968,676 | 609,000 | 558,500 | 642,508 | 478,800 |
| End of Year Escrow Balance | 492,847 | 984,584 | 469,008 | 307,008 | 206,108 | 21,200 | - |

Village of Wilmette FY 2011 Budget
General Fund Debt and Other Financed Capital Expenditures
Long Range Cash Flow Analysis

| | FY 2006 | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Est. Actual FY 2010 | Proposed Budget FY 2011 |
|--|------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|--|
| Beginning Reserve | - | 1,592,111 | 8,644,739 | 3,787,249 | 237,452 | 1,383,335 | 2,538,135 |
| Receipts: | | | | | | | |
| Non-Recurring Revenues: | | | | | | | |
| Bond Proceeds | | 9,889,757 | | 1,598,317 | | 1,515,000 | |
| Bond Proceeds Interest | | 185,157 | 145,563 | 13,807 | - | 8,000 | |
| Sheridan Road State Reimb. | | 350,712 | 211,868 | | | | |
| Sheridan Road Land Acquisition grant | | 175,701 | | | | | |
| CMAQ Grant | | | 89,565 | 338,195 | | | |
| Fire Truck Grant | | | 675,000 | - | | | |
| Sale of used Fire Truck | | | 24,000 | 33,000 | | | |
| Evanston reimb. of Sheridan Road expense | | 30,352 | 1,013 | 177,060 | | | |
| Skokie Valley Bike Trail grant / contributions | | | 82,508 | 2,925 | | | |
| Winnetka CAD Contribution | | 235,516 | 37,839 | 445 | | | |
| Wilmette Park Dist. Phone Contrib. | | - | - | 8,453 | | | |
| P.W. Facility LEED Grant | | | 15,000 | 61,500 | | | |
| Fire Station #26 Bike Path Grant | | 74,738 | | 132,236 | | | |
| Encumbrances written off | | | | 11,036 | | | |
| Police CAD State "Cy Pres" Distribution | | 60,115 | | - | | | |
| EPA Superfund Grant | | 117,796 | | - | | | |
| Cook County Pedestrian Signal Reimb. | | (928) | | - | | | |
| Total Revenues | - | 11,118,916 | 1,282,356 | 2,376,974 | - | 1,523,000 | - |
| Disbursements: | | | | | | | |
| Computer Aided Dispatch (CAD) Project | | 630,010 | 104,436 | 6,852 | | | |
| Fire Truck (Quint) | | | 925,000 | (68,369) | | | |
| Fire Station Garage Doorway Expansion | | | | 68,369 | | | |
| Fire Ladder Truck Rehab | | | 332,380 | 5,664 | | | |
| Two Dump Trucks | | | 302,474 | | | | 315,000 |
| Two Sidewalk Snow Plows | | | | | | | 225,000 |
| Village Yard Facility Improvements | | 221,287 | 1,712,661 | 2,464,739 | | 7,200 | |
| Village Yard Garage Flooring | | | 60,000 | 23,417 | | | |
| Village Yard Office Work Stations | | | | 25,000 | | 27,200 | |
| Village Yard Salt Bin Restoration | | | | | | | 15,000 |
| Village Yard Spoils Bin Roof | | | | | | | 40,000 |
| Village Yard Radio System Repl. | | | | | | | 93,000 |
| Police Facility Improvements | | 1,575 | 34,884 | 125 | | | |
| Police 911 System Repl. | | | | | | | 310,000 |
| Fire Station Facility Improvements | | (6,029) | | | | | |
| Phone System Replacement | | | - | 175,986 | | 15,800 | |
| Cable TV System Improvements | | | | - | 237,500 | 285,000 | |
| Greenbay Road Traffic Signal Improv. | | 104,014 | 723,547 | 164,497 | | 5,000 | * |
| Fire Station #26 Bike Path | | 158,240 | 47,615 | 2,749 | | | |
| Skokie Valley Bike Trail | | 21,614 | 8,383 | - | | | |
| Sheridan Road Bicycle Path Underpass | | | | 25,704 | | | |
| Village Center Parking Garage | | 44,858 | | | | | |
| Sheridan Road Reconstruction | | 317,075 | 966,341 | 1,873,162 | | 28,000 | ** |
| Sheridan Road Land Acquisition | | 245,884 | | | | | |
| Street Resurfacing Program | | 2,187,474 | 422,125 | 5,073 | | | 380,000 |
| Sidewalk, Curb & Alley | | | | | | | 1,007,000 |
| Bond Issuance Costs | | 69,884 | | 7,920 | | | |
| Debt Service Expense | | 70,402 | 500,000 | | | | |
| Total Disbursements | - | 4,066,288 | 6,139,846 | 4,780,888 | 237,500 | 368,200 | 2,385,000 |
| Ending Reserve | 1,592,111 | 8,644,739 | 3,787,249 | 1,383,335 | (48) | 2,538,135 | 153,135 |

* The Greenbay Road Traffic Signal Improvements are partially funded by the CMAQ Grant

** This reflects the Village share of this project

Village of Wilmette FY 2011 Budget
Parking Meter Fund Long Range Cash Flow Analysis

| | Actual FY 2006 | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Projected FY 2010 | Projected FY 2011 | Projected FY 2012 | Projected FY 2013 |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Parking Meter Fund: | | | | | | | | |
| Village Center Program Reserve | 37,714 | 32,735 | 23,202 | (1,297) | 27,015 | 38,390 | 36,885 | 29,380 |
| CTA Station Reserve | 296,093 | 320,064 | 326,563 | 337,539 | 378,387 | 418,232 | 451,332 | 480,132 |
| Burmeister Facility Reserve | 133,603 | 142,564 | 496,030 | 508,075 | 382,194 | 257,069 | 195,774 | 199,674 |
| Total Beginning Reserve | 467,410 | 495,363 | 845,795 | 844,317 | 787,596 | 713,691 | 683,991 | 709,186 |
| Village Center Parking: | | | | | | | | |
| Meter & Debit Card Revenue | 144,290 | 147,688 | 146,196 | 181,359 | 179,800 | 179,800 | 179,800 | 179,800 |
| Permit Revenue | 21,680 | 28,550 | 31,210 | 30,785 | 29,930 | 29,930 | 29,930 | 29,930 |
| Other Revenue | 2,765 | 2,765 | 2,765 | 2,765 | 2,765 | 2,765 | 2,765 | 2,765 |
| Total Village Center Revenue | 168,735 | 179,003 | 180,171 | 214,909 | 212,495 | 212,495 | 212,495 | 212,495 |
| Village Center Expense | 173,714 | 188,536 | 204,670 | 186,597 | 201,120 | 214,000 | 220,000 | 230,000 |
| Ending Village Center Reserve | 32,735 | 23,202 | (1,297) | 27,015 | 38,390 | 36,885 | 29,380 | 11,875 |
| CTA Station Parking: | | | | | | | | |
| Drop Box Revenues | 91,995 | 79,160 | 97,704 | 142,941 | 145,000 | 145,000 | 145,000 | 145,000 |
| Permit Revenues | 25,604 | 24,569 | 18,020 | 30,661 | 30,100 | 30,100 | 30,100 | 30,100 |
| Other Revenues | | | | | | | | |
| Total CTA Station Revenues | 117,599 | 103,729 | 115,724 | 173,602 | 175,100 | 175,100 | 175,100 | 175,100 |
| Total CTA Station Expenses | 93,628 | 97,230 | 104,748 | 132,754 | 135,255 | 142,000 | 146,300 | 150,700 |
| Ending CTA Station Reserve | 320,064 | 326,563 | 337,539 | 378,387 | 418,232 | 451,332 | 480,132 | 504,532 |
| Burmeister Parking Facility: | | | | | | | | |
| Permit Revenues | 19,660 | 25,370 | 24,775 | 23,925 | 23,900 | 23,900 | 23,900 | 23,900 |
| Transfer from General Fund | 134,415 | 480,764 | 141,510 | - | - | - | - | - |
| Total Burmeister Parking Revenues | 154,075 | 506,134 | 166,285 | 23,925 | 23,900 | 23,900 | 23,900 | 23,900 |
| Other Expense | 10,026 | 15,043 | 15,728 | 20,056 | 17,850 | 18,075 | 20,000 | 22,000 |
| Bond Interest Expense | 20,088 | 17,625 | 13,512 | 9,750 | 6,175 | 2,120 | - | - |
| Bond Principal Retirement | 115,000 | 120,000 | 125,000 | 120,000 | 125,000 | 65,000 | - | - |
| Total Burmeister Parking Expense | 145,114 | 152,668 | 154,240 | 149,806 | 149,025 | 85,195 | 20,000 | 22,000 |
| Ending Burmeister Parking Facility Reserve | 142,564 | 496,030 | 508,075 | 382,194 | 257,069 | 195,774 | 199,674 | 201,574 |
| Total Parking Meter Fund Ending Reserve | 495,363 | 845,795 | 844,317 | 787,596 | 713,691 | 683,991 | 709,186 | 717,981 |

**Village of Wilmette FY 2011 Budget
Sewer Fund Long Range Cash Flow Analysis**

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Proposed Budget FY 2011 | Estimated Actual FY 2011 | Projected FY 2012 | Projected FY 2013 |
|--|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------------------|--------------------------------|----------------------|----------------------|
| Beginning Reserve | 475,039 | 373,097 | 184,928 | 378 | 26,021 | 36,798 | 36,798 | 150,198 | 230,298 |
| Receipts: | | | | | | | | | |
| Residential Sewer Charges | 3,429,424 | 3,468,259 | 3,556,017 | 4,005,000 | 3,820,000 | 4,313,000 | 4,313,000 | 4,439,000 | 4,439,000 |
| Other | 50 | 100 | 50 | - | - | - | - | - | - |
| Interest Earnings | 40,868 | 36,821 | 5,238 | - | - | - | - | - | - |
| WATER FUND TRANSFER | | | 100,000 | - | 200,000 | - | - | - | - |
| Total Revenues | 3,470,342 | 3,505,180 | 3,661,305 | 4,005,000 | 4,020,000 | 4,313,000 | 4,313,000 | 4,439,000 | 4,439,000 |
| Disbursements: | | | | | | | | | |
| Personnel & Fringe | | | | | | | | | |
| Benefits | 525,659 | 564,740 | 587,794 | 629,505 | 622,820 | 654,890 | 654,800 | 674,400 | 694,600 |
| Flow monitoring / NPDES | 6,000 | 6,014 | 6,000 | 6,000 | 6,000 | 46,000 | 46,000 | 6,000 | 6,000 |
| Other Operating Expense | 262,280 | 267,350 | 236,388 | 280,030 | 274,525 | 300,430 | 301,000 | 301,000 | 301,000 |
| Existing Debt Service | 2,560,752 | 2,662,826 | 2,688,310 | 2,897,630 | 2,897,878 | 2,965,300 | 2,965,300 | 3,000,000 | 3,000,000 |
| New Debt Service | | | - | - | - | | | | |
| Total Operating Expenses | 3,354,691 | 3,500,930 | 3,518,492 | 3,813,165 | 3,801,223 | 3,966,620 | 3,967,100 | 3,981,400 | 4,001,600 |
| General Capital Outlay | 59,227 | 1,650 | 119,527 | - | 4,300 | 22,500 | 22,500 | 167,500 | 30,000 |
| Sewer Maintenance | 158,366 | 190,769 | 182,193 | 210,000 | 203,700 | 210,000 | 210,000 | 210,000 | 210,000 |
| Total Expenditures | 3,572,284 | 3,693,349 | 3,820,212 | 4,023,165 | 4,009,223 | 4,199,120 | 4,199,600 | 4,358,900 | 4,241,600 |
| Ending Reserve | 373,097 | 184,928 | 26,021 | (17,787) | 36,798 | 150,678 | 150,198 | 230,298 | 427,698 |
| Recommended Minimum Level of Ending Reserve | | 693,652 | 711,203 | | 764,000 | | 862,600 | 887,800 | 887,800 |

Due to lower than anticipated water sales the following rate increases are projected to improve our reserves:

A 12 cent rate increase was implemented in 2009 - to generate an additional \$150,000 to re-build the reserve plus a 10 cent rate increase to fund the new debt for the SWPS Generator and other improvements.

A 24 cent rate increase was implemented in 2010 - to generate an additional \$300,000 to re-build the reserve.

A 21 cent rate increase is projected for 2011 - to generate assist in re-building the reserve plus another 4 cent increase to fund \$900,000 in new EPA Loan debt plus another 9 cent increase to fund \$1.5 million in new G.O. debt.

| <u>Sewer Rate History:</u> | <u>Rate</u> | <u>% Change</u> |
|----------------------------|-------------|-----------------|
| 2005 | 2.37 | |
| 2006 | 2.40 | 1.27% |
| 2007 | 2.46 | 2.50% |
| 2008 | 2.64 | 7.32% |
| 2009 | 2.86 | 8.33% |
| 2010 | 3.10 | 8.39% |
| 2011 Projected | 3.44 | 10.97% |
| 2012 Projected | 3.54 | 2.91% |
| 2013 Projected | 3.54 | 0.00% |

* A one cent rate increase should generate about \$12,500. Thus, every eight cents added to the rate will generate about \$100,000.

Village of Wilmette FY 2011 Budget
Sewer Fund Long Range Cash Flow Analysis - Debt and Other Financing Portion

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Proposed Budget FY 2011 | Projected FY 2012 |
|--|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------------------|----------------------|
| Beginning Reserve | 493,694 | 2,229,642 | 1,350,622 | 425,004 | 1,260,694 | 2,310,470 | 785,170 |
| Receipts: | | | | | | | |
| Total Operating Revenues | - | - | - | - | - | - | - |
| Non-Operating Revenues: | | | | | | | |
| G.O. Bond Debt Proceeds | 2,435,460 | - | 1,583,309 | | 1,540,000 | | 1,040,000 |
| EPA Loan Proceeds | 611,839 | 42,316 | 10,298 | 900,000 | 900,000 | 900,000 | 900,000 |
| Interest - Bond Proceeds | | | | | | | |
| Total Revenues | 3,047,299 | 42,316 | 1,593,607 | 900,000 | 2,440,000 | 900,000 | 1,940,000 |
| Disbursements: | | | | | | | |
| Bond Issuance Costs | | | 8,309 | | | | |
| Village Center Stormwater Management Plan | 8,294 | | | | | | |
| Separate Sewer System Study | | | 87,348 | - | 2,828 | | |
| Total Non-Capital Expense | 8,294 | - | 95,657 | - | 2,828 | - | |
| Sewer Lining & Rehab. Program | 377,997 | 1,777 | 4,859 | 900,000 | 900,000 | 900,000 | 900,000 |
| Relief Sewer Improv. Prog. | 412,315 | 61,555 | 10,236 | | 1,096 | 650,300 | 450,000 |
| Sewer Main Repairs | 192,045 | 535,623 | 369,163 | 425,000 | 395,000 | 675,000 | 873,800 |
| Sheridan Road Sewer | 27,447 | 127,000 | 406,229 | | | | |
| Washington Ave. Sewer | 5,935 | | | | | | |
| Sewer Lining & Rehab. Edens | 287,318 | | - | | | | |
| Sewer repl. - 1200 Isabella | | 46,777 | | | | | |
| SWPS - Building Repairs | | 84,091 | 16,468 | | | | |
| SWPS - Electrical Improvements | | 22,853 | 206,079 | | 20,100 | | |
| S.W.P.S. Generator | | 33,092 | 570,148 | | 51,800 | | |
| Greenleaf Sewer Junction | | | 4,696 | | 19,400 | | |
| Capitalized Interest Exp. | | 8,568 | | | | | |
| Separate System Detention Program | | | | | | 200,000 | 500,000 |
| Sewer Maintenance | | | | | | | |
| Highland Ave. Relief Sewer | | | | | | | |
| Central Ave. Relief Sewer | | | | | | | |
| Ridge Road Sewer improvements | | | | | | | |
| Total Disbursements | 1,311,351 | 921,336 | 1,683,535 | 1,325,000 | 1,390,224 | 2,425,300 | 2,723,800 |
| Ending Reserve | 2,229,642 | 1,350,622 | 1,260,694 | 4 | 2,310,470 | 785,170 | 1,370 |

**Village of Wilmette FY 2011 Budget
Water Fund Long Range Cash Flow Analysis**

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Proposed Budget FY 2011 | Estimated Actual FY 2011 | Projected FY 2012 | Projected FY 2013 |
|--|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------------------|--------------------------------|----------------------|----------------------|
| Beginning Reserve | 703,320 | 858,763 | 338,199 | 159,204 | 261,877 | 474,809 | 474,809 | 1,057,709 | 1,496,600 |
| Receipts: | | | | | | | | | |
| Residential Sales | 2,169,009 | 2,608,407 | 2,795,003 | 3,152,000 | 3,002,000 | 3,217,000 | 3,217,000 | 3,333,000 | 3,333,000 |
| Wholesale Sales | 3,854,373 | 3,591,752 | 3,961,841 | 4,015,000 | 3,915,000 | 4,149,900 | 4,149,900 | 4,149,900 | 4,398,900 |
| Interest - Operations | 124,519 | 46,217 | 11,878 | 25,000 | 11,000 | 15,000 | 15,000 | 25,000 | 25,000 |
| Other | 165,920 | 140,245 | 104,969 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Operating Revenues | 6,313,821 | 6,386,621 | 6,873,691 | 7,292,000 | 7,028,000 | 7,481,900 | 7,481,900 | 7,607,900 | 7,856,900 |
| Non-Operating Revenues: | 51,430 | | 8,450 | | | 230,000 | 230,000 | | |
| Total Revenues | 6,365,251 | 6,386,621 | 6,882,141 | 7,292,000 | 7,028,000 | 7,711,900 | 7,711,900 | 7,607,900 | 7,856,900 |
| Disbursements: | | | | | | | | | |
| Personnel & Fringe Benefits | 2,550,625 | 2,709,666 | 2,677,148 | 2,745,700 | 2,617,696 | 2,717,000 | 2,717,000 | 2,798,500 | 2,882,500 |
| Other Operating Expense | 1,417,551 | 1,481,005 | 1,424,637 | 1,539,000 | 1,446,482 | 1,563,855 | 1,564,000 | 1,563,855 | 1,563,855 |
| Unidirectional Main Flushing | 24,704 | - | - | 37,000 | 37,000 | 36,750 | 36,000 | - | - |
| Debt Service | 1,436,048 | 1,559,845 | 1,538,436 | 1,362,790 | 1,366,500 | 1,388,100 | 1,388,000 | 1,503,000 | 1,583,000 |
| Sewer Fund Transfer | | | 100,000 | - | 200,000 | - | - | - | - |
| General Fund Transfer | 600,000 | 850,000 | 950,000 | 1,000,000 | 1,000,000 | 1,050,000 | 1,050,000 | 1,100,000 | 1,150,000 |
| Total Operating Expense | 6,028,928 | 6,600,516 | 6,690,221 | 6,684,490 | 6,667,678 | 6,755,705 | 6,755,000 | 6,965,355 | 7,179,355 |
| Transfer to Capital Projects Reserve | | | | | | | | | |
| Capital Outlay | | | | | | | | | |
| Other Capital Outlay | 180,880 | 306,669 | 268,242 | 230,000 | 147,390 | 374,300 | 374,000 | 464,150 | 542,600 |
| Total Disbursements | 6,209,808 | 6,907,185 | 6,958,463 | 6,914,490 | 6,815,068 | 7,130,005 | 7,129,000 | 7,429,505 | 7,721,955 |
| Ending Reserve | 858,763 | 338,199 | 261,877 | 536,714 | 474,809 | 1,056,704 | 1,057,709 | 1,236,104 | 1,631,545 |
| Recommended Minimum Level of Ending Reserve | | | 1,351,400 | | 1,383,400 | | 1,473,400 | 1,496,600 | 1,546,400 |

Water / Sewer Rate History & Projections:

| | | |
|-----------------|------|---|
| 2007 actual | 4.02 | |
| 2008 actual | 4.65 | 9 cent water rate increase related to operating expenses + 36 cent water rate increase to increase reserve. + 18 cent sewer rate increase to increase reserve. |
| 2009 actual | 5.05 | + 18 cent water rate increase to increase water reserve. + 12 cent sewer rate increase to increase sewer reserve. + 10 cent sewer rate increase for new sewer debt service. |
| 2010 actual | 5.47 | + 18 cent water rate increase to replenish Water Fund reserve. + 24 cent sewer rate increase to replenish Sewer Fund reserve. |
| 2011 projection | 5.93 | + 8 cent water rate increase to replenish Water Fund reserve & fund capital expenses. + 4 cent water rate increase for new debt service. + 34 cent sewer rate increase to replenish Sewer Fund reserve & fund increased debt service. |
| 2012 projection | 6.12 | + 9 cent water rate increase to replenish Water Fund reserve & fund capital expenses. + 10 cent sewer rate increase to replenish Sewer Fund reserve & fund increased debt service. |

Village of Wilmette FY 2011 Budget
Water Fund Long Range Cash Flow Analysis - Debt and Other Financing Portion

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Projected FY 2011 | Projected FY 2012 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|----------------------|----------------------|
| Beginning Reserve | 4,878,339 | 4,201,206 | 1,796,024 | 1,162,681 | 1,331,629 | 2,028,629 | 288,629 |
| Receipts: | | | | | | | |
| Total Operating Revenues | - | - | - | - | - | - | - |
| Non-Operating Revenues: | | | | | | | |
| Bond Proceeds | | | 5,869,840 | | 1,125,000 | | |
| Interest - Bond Proceeds | 237,460 | 60,820 | 7,335 | 10,000 | 10,000 | 10,000 | |
| Total Revenues | 237,460 | 60,820 | 5,877,175 | 10,000 | 1,135,000 | 10,000 | - |
| Disbursements: | | | | | | | |
| SCADA Software Upgrade | | | 28,417 | | | 600,000 | - |
| Bonds Refunded | | | 5,840,000 | | | | |
| Bond Issuance costs | | | 29,840 | | | | |
| Total Operating Expense | - | - | 5,898,257 | - | - | 600,000 | - |
| Capital Outlay: | | | | | | | |
| Automatic Meter Reading | 66,671 | 91,300 | 80,019 | 98,000 | 98,000 | | |
| Valve Installations | 37,469 | 44,296 | | | | | |
| Filter Repairs 1971/1933 | 617,524 | - | 119,000 | | | | |
| Interconnection Improvements | | 56,918 | 97,239 | | | | |
| Roof Repairs | | 405,937 | | 340,000 | 340,000 | | |
| Standpipe Reconditioning | 3,225 | 1,000 | 2,300 | | | 1,150,000 | |
| Sheridan Road Water Main | 125,025 | 1,968,600 | 144,755 | | | | |
| Cambridge & Columbus Mai | 64,679 | | | | | | |
| Water Main Repl. Program | | | | | | | |
| Filter Valve Improvements | | | | | | | 131,000 |
| Basin 1 & 2 Improvements | | | | | | | |
| Lake Ave. 12" Water Main | | (102,049) | | | | | |
| Mallinckrodt Water Main | | | | | | | |
| Total Disbursements | 914,593 | 2,466,002 | 6,341,570 | 438,000 | 438,000 | 1,750,000 | 131,000 |
| Ending Reserve | 4,201,206 | 1,796,024 | 1,331,629 | 734,681 | 2,028,629 | 288,629 | 157,629 |

Village of Wilmette FY 2011 Budget
Other Funds Long Range Cash Flow Analysis

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Projected FY 2010 | Projected FY 2011 | Projected FY 2012 | Projected FY 2013 |
|-----------------------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| General Debt Service Fund: | | | | | | | |
| Beginning Reserve | 28,366 | (7,665) | (61,780) | (96,363) | (141,523) | (148,123) | (113,623) |
| Property Tax Revenue | 2,494,201 | 3,313,805 | 3,122,325 | 3,010,000 | 3,038,400 | 3,047,900 | 3,301,400 |
| Other Revenue | - | - | - | - | - | - | - |
| Total Disbursements | 2,530,232 | 3,367,920 | 3,156,908 | 3,055,160 | 3,045,000 | 3,013,400 | 3,268,800 |
| Ending Reserve | (7,665) | (61,780) | (96,363) | (141,523) | (148,123) | (113,623) | (81,023) |

| | | | | | | | |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Motor Fuel Tax Fund: | | | | | | | |
| Beginning Reserve | 431,201 | 450,725 | 389,728 | 331,412 | 286,412 | 241,412 | 196,412 |
| Motor Fuel Tax Allotments | 789,867 | 726,184 | 708,148 | 700,000 | 700,000 | 700,000 | 700,000 |
| Other Revenue | 29,657 | 12,819 | 5,547 | 5,000 | 5,000 | 5,000 | 5,000 |
| Total Disbursements | 800,000 | 800,000 | 772,011 | 750,000 | 750,000 | 750,000 | 750,000 |
| Ending Reserve | 450,725 | 389,728 | 331,412 | 286,412 | 241,412 | 196,412 | 151,412 |

| | | | | | | | |
|--------------------------------|------------|-------------|------------|------------|------------|------------|------------|
| Firemen's Pension Fund: | | | | | | | |
| Beginning Reserve | 27,825,524 | 29,884,278 | 25,906,302 | 29,299,613 | 31,119,855 | 33,104,155 | 34,904,155 |
| Total Revenues | 4,006,625 | (1,982,341) | 5,438,121 | 4,107,700 | 4,539,900 | 4,600,000 | 4,800,000 |
| Total Disbursements | 1,947,871 | 1,995,635 | 2,044,810 | 2,287,458 | 2,555,600 | 2,800,000 | 2,900,000 |
| Ending Reserve | 29,884,278 | 25,906,302 | 29,299,613 | 31,119,855 | 33,104,155 | 34,904,155 | 36,804,155 |

| | | | | | | | |
|-----------------------------|------------|-------------|------------|------------|------------|------------|------------|
| Police Pension Fund: | | | | | | | |
| Beginning Reserve | 27,027,859 | 29,191,711 | 25,316,965 | 28,564,014 | 30,351,847 | 32,234,647 | 34,034,647 |
| Total Revenues | 3,765,665 | (2,110,787) | 5,127,276 | 3,766,900 | 4,145,400 | 4,300,000 | 4,500,000 |
| Total Disbursements | 1,601,813 | 1,763,959 | 1,880,227 | 1,979,067 | 2,262,600 | 2,500,000 | 2,800,000 |
| Ending Reserve | 29,191,711 | 25,316,965 | 28,564,014 | 30,351,847 | 32,234,647 | 34,034,647 | 35,734,647 |

Village of Wilmette FY 2011 Budget
Other Funds Long Range Cash Flow Analysis

| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Projected FY 2010 | Projected FY 2011 | Projected FY 2012 | Projected FY 2013 |
|-----------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Clampitt Fund: | | | | | | | |
| Beginning Reserve | 119,199 | 117,319 | 110,436 | 101,948 | 83,500 | | |
| Total Revenues | 7,120 | 2,117 | 512 | 552 | 500 | | |
| Total Disbursements | 9,000 | 9,000 | 9,000 | 19,000 | 84,000 | | |
| Ending Reserve | 117,319 | 110,436 | 101,948 | 83,500 | - | | |

| | | | | | | | |
|--------------------------|---------|---------|---------|---------|---------|-----------|-----------|
| Section 105 Fund: | | | | | | | |
| Beginning Reserve | 396,733 | 524,091 | 646,564 | 766,279 | 856,279 | 958,279 | 1,058,279 |
| Total Revenues | 145,148 | 153,651 | 152,069 | 170,000 | 200,000 | 220,000 | 240,000 |
| Total Disbursements | 17,790 | 31,178 | 32,354 | 80,000 | 98,000 | 120,000 | 140,000 |
| Ending Reserve | 524,091 | 646,564 | 766,279 | 856,279 | 958,279 | 1,058,279 | 1,158,279 |

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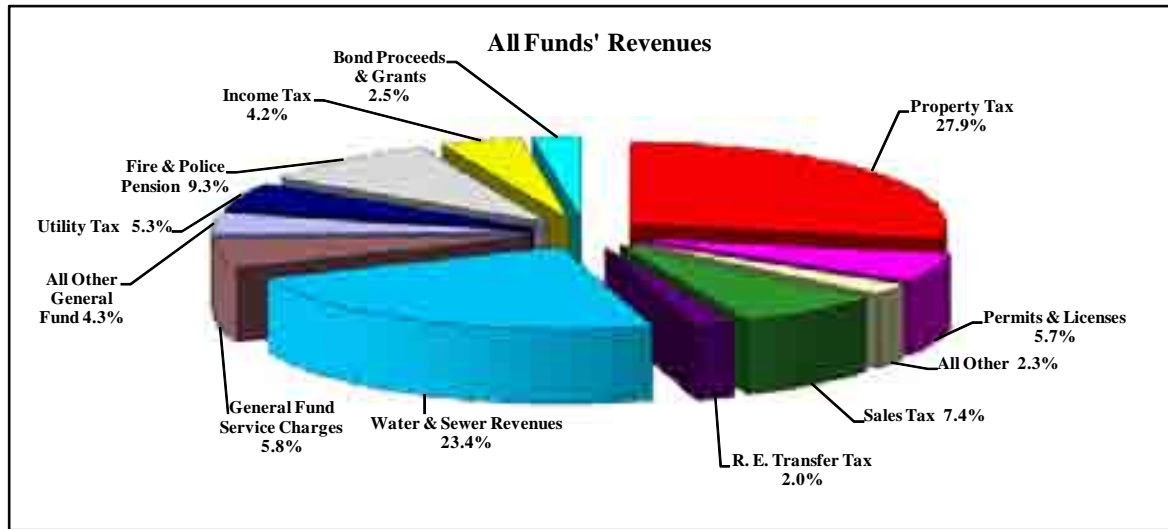
REVENUE AND EXPENSE SUMMARY

This section describes the Village's financing sources and provides a historical perspective of the major revenues. Expenditures are also summarized by fund and a trend analysis of personnel expense, refuse collection expense and debt service expense are shown.

Personnel costs represent 68% of the Village's General Fund budget and refuse expense accounts for another 7%. The other major General Fund expense category is capital outlay which comprises nearly 10% of the 2011 budget. This category fluctuates widely from year to year and is primarily derived in the development of the Ten Year Capital Improvements Plan (see Capital Planning section). Debt service represents 13% of the total 2011 budget.

This section also includes the detail line item revenues for all funds, an expenditure summary by program for all funds, a summary of major revenues and expenditures, and a summary of the capital outlay and other non-recurring expenses that are used in the cash flow projections.

Village of Wilmette 2011 Budget



Property Taxes:

Real estate tax levy collections for the 2010 Village levy.

Sales Tax:

1% State collected local retail sales tax and State distribution of the local use tax plus a .25% Home Rule Sales Tax that took effect January 1, 2005.

Utility Tax:

A consumption tax collected by public utility companies for electric and gas equaling approximately 5% of the utility bills; and 6% tax on telephone bills (a 5% telecommunications tax and a 1% infrastructure maintenance fee).

Income Tax:

State distribution of the Illinois State Income Tax. A portion of this tax is allocated back to municipalities on a per capita basis.

Real Estate Transfer Tax:

Tax levied upon the buyers of real estate within the corporate limits of Wilmette. The tax is currently \$3.00 per \$1,000 of the sales price.

Permits & Licenses:

The Village issues vehicle, animal, business and liquor licenses. Permit revenue is derived from the activity in the Department of Community Development from its issuance of building, plumbing, electrical, and miscellaneous permits.

Water & Sewer Charges:

Residential water and sewer billings as well as wholesale sales to the Village of Glenview and to Citizens' Utility Co.

Bond Proceeds and Grants:

These are non-operating / non-recurring revenues. New debt of \$900,000 is budgeted for the sewer lining program.

Fire & Police Pension:

Investment earnings, employee and employer contributions for the two pension plans that the Village administers.

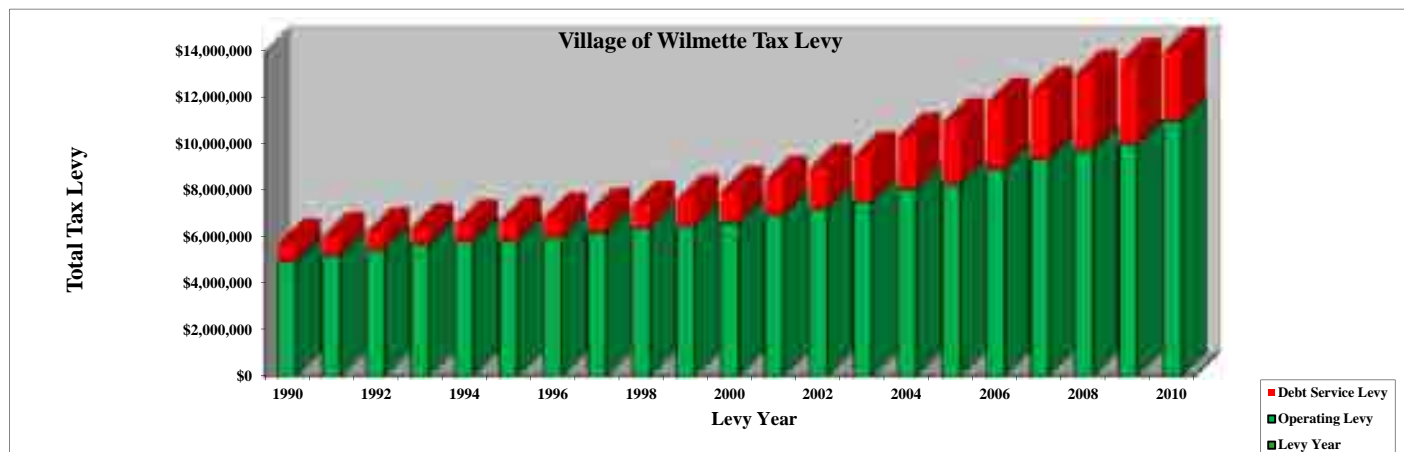
All Other General Fund:

Service charges, fines, franchise charges, rental income, interest earnings, and miscellaneous revenue recorded in the General Fund.

All Other Revenues:

State distributed motor fuel tax; parking lot revenues; interest earnings (other than in the pension funds and General Fund) and other miscellaneous receipts.

Village of Wilmette FY 2011 Budget



| Levy Year | Operating Levy | Debt Service Levy | Total Levy | % Change |
|-----------|----------------|-------------------|------------|----------|
| 1990 | 4,957,000 | 780,468 | 5,737,468 | |
| 1991 | 5,228,400 | 795,630 | 6,024,030 | 4.99% |
| 1992 | 5,463,090 | 771,510 | 6,234,600 | 3.50% |
| 1993 | 5,687,075 | 719,225 | 6,406,300 | 2.75% |
| 1994 | 5,814,058 | 752,642 | 6,566,700 | 2.50% |
| 1995 | 5,818,665 | 879,635 | 6,698,300 | 2.00% |
| 1996 | 5,992,644 | 873,256 | 6,865,900 | 2.50% |
| 1997 | 6,206,181 | 866,019 | 7,072,200 | 3.00% |
| 1998 | 6,386,857 | 997,843 | 7,384,700 | 4.42% |
| 1999 | 6,466,007 | 1,176,693 | 7,642,700 | 3.49% |
| 2000 | 6,627,657 | 1,366,515 | 7,994,172 | 4.60% |
| 2001 | 6,956,488 | 1,505,128 | 8,461,616 | 5.85% |
| 2002 | 7,234,176 | 1,733,868 | 8,968,044 | 5.98% |
| 2003 | 7,523,543 | 1,981,593 | 9,505,136 | 5.99% |
| 2004 | 8,071,000 | 2,235,726 | 10,306,726 | 8.43% |
| 2005 | 8,295,437 | 2,630,163 | 10,925,600 | 6.00% |
| 2006 | 8,940,311 | 2,861,289 | 11,801,600 | 8.02% |
| 2007 | 9,352,187 | 2,920,613 | 12,272,800 | 3.99% |
| 2008 | 9,744,183 | 3,254,817 | 12,999,000 | 5.92% |
| 2009 | 9,993,999 | 3,519,001 | 13,513,000 | 3.95% |
| 2010 | 11,024,229 | 2,991,871 | 14,016,100 | 3.72% |

Prior to the 1997 levy the operating levy consisted of the General Fund along with the General Liability Insurance, Workers' Compensation, Civil Preparedness, Firefighters' Pension, Police Pension and the Illinois Municipal Retirement Funds.

For the 1997 through 1999 levies, the operating levy consisted of the General Fund along with the General Liability Insurance Fund as the other Funds were either eliminated or are now treated as internal service funds.

Beginning with the 2000 levy the General Liability Insurance levy is now included in the General Fund. The General Liability Insurance Fund was consolidated into the General Fund as of 12/31/00.

| | |
|---|-------|
| Operating Levy - Average Increase - Last 20 Years | 4.10% |
| Operating Levy - Average Increase - Last 10 Years | 5.25% |
| Operating Levy - Average Increase - Last 5 Years | 5.89% |
| Total Levy - Average Increase - Last 20 Years | 4.58% |
| Total Levy - Average Increase - Last 10 Years | 5.79% |
| Total Levy - Average Increase - Last 5 Years | 5.12% |

Property taxes are the largest single source of revenue for the Village. The tax levy represents 28% of the total 2011 revenues for all funds and 43% of the total revenue for the Village's tax supported funds. As a "Home Rule" unit of government, the Village has no limitations on its levy but the Village has attempted to keep the tax levy's growth to a minimum to provide as much tax relief to the Village residents as possible while still maintaining quality services. This is especially the case during this recent economic downturn. The Village adopts its tax levy in December each year and the County collects this in two installments in March and September of the following year. Thus, the 2010 tax levy is the basis for the 2011 revenue budget. The 2010 tax levy reflects a 3.72% increase over the 2009 levy as follows:

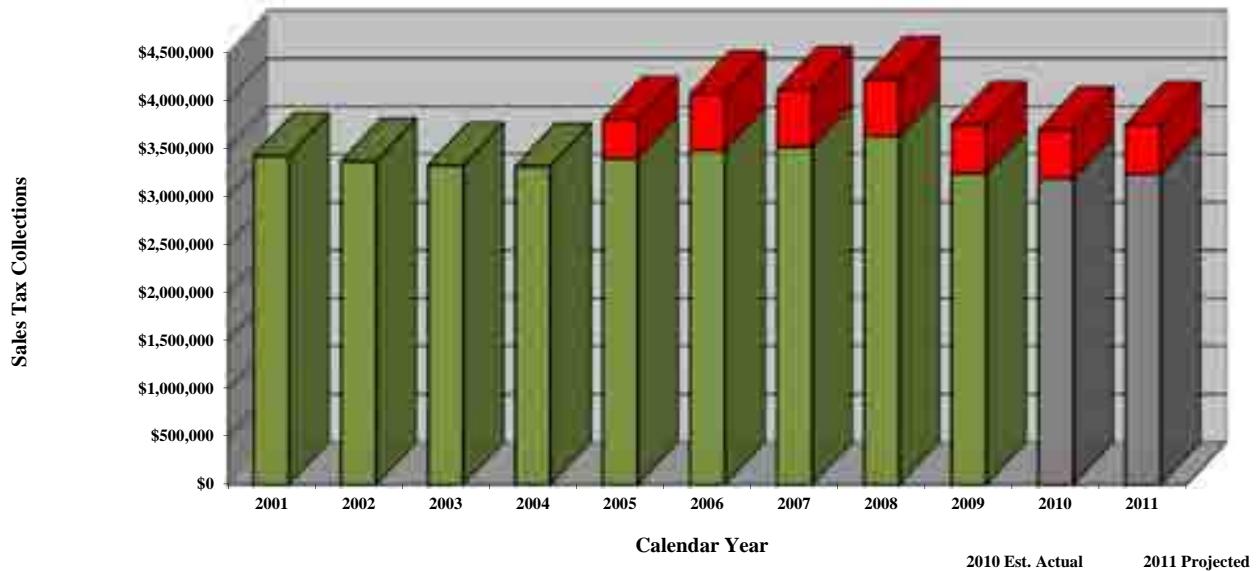
Components of 2010 Tax Levy Growth:

| | | |
|---------------------------------------|-----------|--------|
| General Operations | 393,215 | 2.91% |
| Debt Service savings from refinancing | (611,900) | -4.53% |
| New 2010 Issue Debt Service | 84,785 | 0.63% |
| Pension Growth | 592,000 | 4.38% |
| Sub-Total | 458,100 | 3.39% |
| Additional to replenish Reserve | 45,000 | 0.33% |

| | | |
|-------------------------------------|----------------|--------------|
| Overall 2010 Tax Levy Growth | 503,100 | 3.72% |
|-------------------------------------|----------------|--------------|

Village of Wilmette FY 2011 Budget

Wilmette Sales Tax Revenue



Sales Tax Collections

| Year | State | Home-Rule |
|------|-----------|-----------|
| | Sales Tax | Sales Tax |
| 2001 | 3,426,983 | |
| 2002 | 3,369,933 | |
| 2003 | 3,330,714 | |
| 2004 | 3,318,436 | |
| 2005 | 3,401,780 | 404,243 |
| 2006 | 3,487,678 | 588,951 |
| 2007 | 3,522,784 | 594,225 |
| 2008 | 3,635,888 | 590,467 |
| 2009 | 3,247,381 | 510,424 |
| 2010 | 3,190,000 | 510,000 |
| 2011 | 3,237,850 | 517,650 |

Historically, Wilmette sales tax revenue had consisted of three components. Approximately 90% of the revenue is from a 1% sales tax on all retail sales taking place within Wilmette. Another 8.5% is Wilmette's share of the State's local use tax and 1.5% was from a portion of the State's sales tax referred to as the "photo-finishing tax". This is collected by the State and remitted back to municipalities (with an approximate three month time lag). The State General Assembly stopped remitting the "photo-finishing tax" portion in 2002.

Significant historical background on sales to note: (1) Jewel/Osco opened its new grocery store on Green Bay Road in June of 1998. (2) A new grocery store "Fresh Market" opened in Edens Plaza in November 2007.

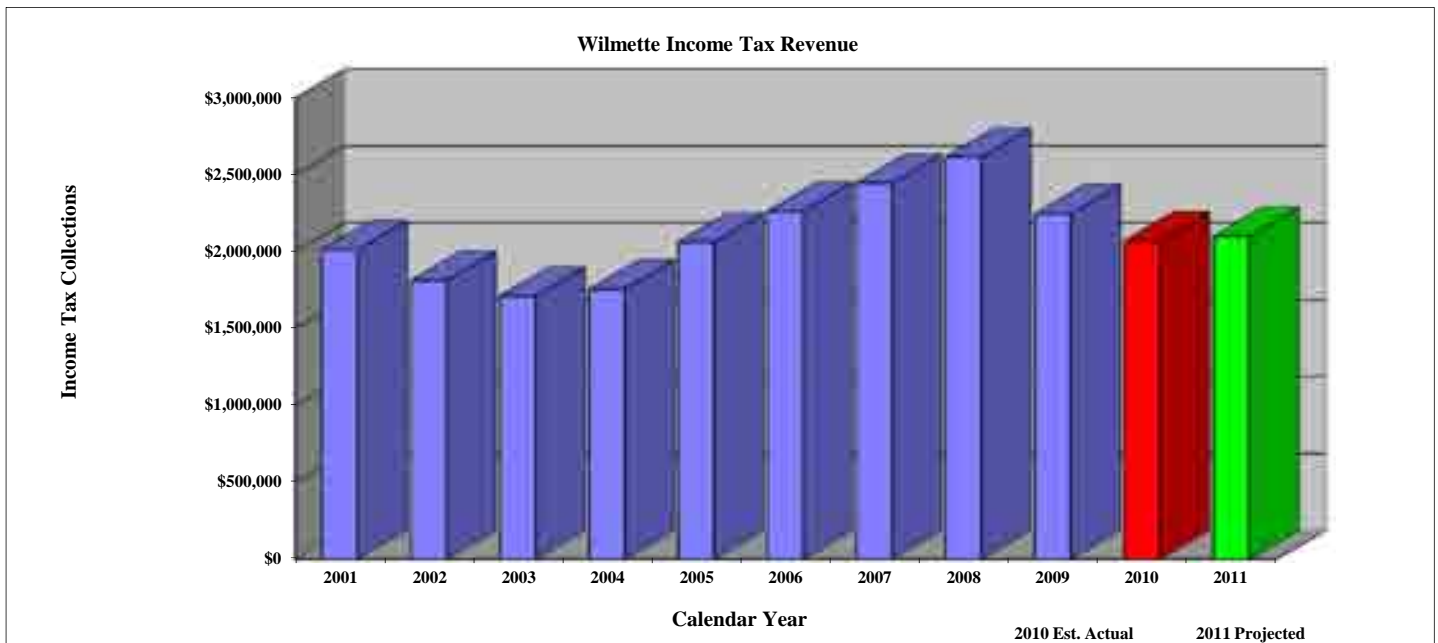
A home rule sales tax of 1/4% took effect on January 1, 2005 that is now presented as a second component in this chart.

Municipalities in the State of Illinois receive a 1% sales tax on all retail sales within their corporate limits. Home rule communities may enact an additional sales tax of up to 1% more (in .25% increments) and Wilmette adopted a .25% tax that took effect on January 1, 2005. This additional tax is now projected to generate \$515,000 annually.

Sales tax is the third largest revenue source for the Village and represents over 7% of the total revenues in the 2011 budget (11% of all revenues for the tax supported funds). Sales tax has performed in line with the national economy reflected by gradual decreases from 2001 through 2004 followed by gradual increases through the first 3 quarters of 2008. Sales tax has performed in line with the national economy, reflected by gradual decreases from 2001 through 2004 followed by gradual increases through the first 3 quarters of 2008. The national economic downturn was noted locally in the 4th quarter of 2008 retail sales and this decline continued throughout 2009 which resulted in an 11% decrease from 2008. This drop leveled off in 2010 and the year end decrease is expected to be less than 1%. Since much of the Village's retail sales are generated by grocery stores the economic downturn has not impacted the Village as much as other municipalities with larger commercial tax bases.

Edens Plaza is the largest taxpayer in Wilmette. The assessed valuation of this property comprises over 2% of the entire Village's property tax base and the retail operations contribute nearly 25% of all sales tax.

Village of Wilmette FY 2011 Budget



Income Tax Revenue

| Year | Amount |
|------|-----------|
| 2001 | 2,015,087 |
| 2002 | 1,813,821 |
| 2003 | 1,713,517 |
| 2004 | 1,757,291 |
| 2005 | 2,063,436 |
| 2006 | 2,263,978 |
| 2007 | 2,447,409 |
| 2008 | 2,617,554 |
| 2009 | 2,247,445 |
| 2010 | 2,070,000 |
| 2011 | 2,101,050 |

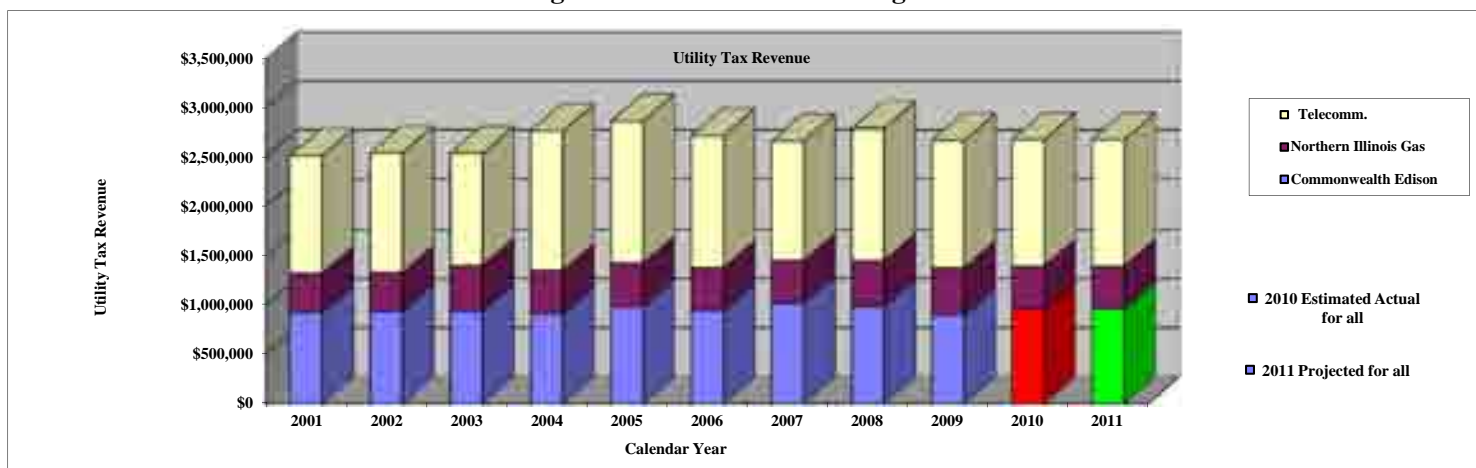
Income tax revenue is the portion of the State 3% income tax that is distributed to municipalities on the basis of their population. The allocation to local government has varied historically but has been 1/10 since 7/01/95. Following legislation in January 2011, the State income tax was increased to 5% and the local share reduced to 6% of that amount - so the amount to municipalities should be unchanged.

A portion of the State income tax is allocated back to municipalities based on population. Projections of this revenue have been made difficult over time with many legislative changes throughout the early 1990's impacting the allocation percentage. Since 1995 the State General Assembly has not targeted this allocation for any legislative action but there is concern that the State's budget problems could change this in the near future.

As with sales tax, the income tax has performed in line with the national economy. Income tax revenue grew by an average of 10% annually in 2005 through 2008. While 2008 had this growth, the downturn became evident in the second half of 2008. The decline in 2009 was nearly 14% and 2010 is projected to decrease another 7%.

Income levels may stabilize or begin to grow in 2011 but, as noted earlier, there is concern that the State may reduce the municipal allocation of this tax.

Village of Wilmette FY 2011 Budget



| Year | Commonwealth Edison | Northern Illinois Gas | Telecomm. |
|------|---------------------|-----------------------|-----------|
| 2001 | 925,163 | 404,203 | 1,183,636 |
| 2002 | 940,402 | 393,818 | 1,206,629 |
| 2003 | 944,526 | 464,450 | 1,128,067 |
| 2004 | 918,133 | 438,647 | 1,408,300 |
| 2005 | 990,088 | 443,229 | 1,431,024 |
| 2006 | 951,280 | 432,312 | 1,332,198 |
| 2007 | 1,026,277 | 431,873 | 1,203,060 |
| 2008 | 991,724 | 464,453 | 1,334,009 |
| 2009 | 905,461 | 477,228 | 1,283,605 |
| 2010 | 970,000 | 430,000 | 1,275,000 |
| 2011 | 970,000 | 430,000 | 1,275,000 |

The utility tax is levied on all electric, gas and phone bills in Wilmette. It is collected by the utility companies who retain a portion of the tax for their efforts. For phone bills the tax is based on the billing amount, for electric the tax is based on a graduated scale of kilowatt hours and for gas the tax is based on terms consumed. Gas and electric should approximate 5% of the gross billing while phones should be about 6%.

In 2003 the State began collection of the telecommunications portion of this revenue. This created a two month lag period in 2003 when the Village received no revenue.

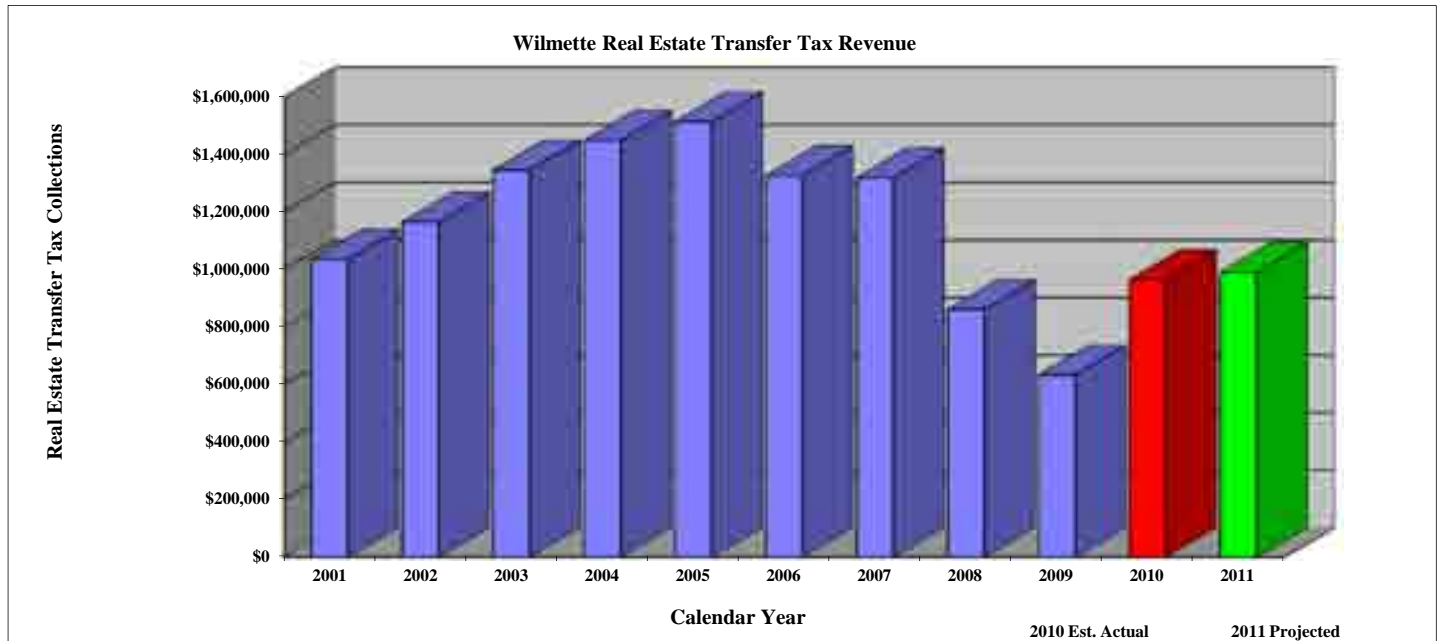
The electrical and natural gas utility taxes are based on the consumption of these commodities. Since Wilmette is fully developed, overall electrical and natural gas utility usage is generally a function of weather conditions. Heat waves will increase air conditioner use while cold periods will produce higher heating bills. Accordingly, the utility tax revenue from these two sources is based on average weather conditions with no growth expectations.

The telecommunications tax (5%) and infrastructure maintenance fee (1%) are based on the total billings for telephone and other telecommunications services. Increased competition for these services occurred as a result of deregulation in the 1980's. AT&T currently provides basic local phone service for almost all of the community, but there are now more than 300 cellular and long distance providers serving Wilmette (Note - in 1991 new statutes expanded the tax base for this to include interstate telecommunications). While competition has kept rates down, telecommunications usage increased steadily through 2000 with internet communications, cellular phones and fax machines.

This growth appears to have peaked and now has begun to drop as homes have eliminated land lines and have gone entirely cellular. This decline, which is evident from 2004 through 2007, appears to have temporarily halted and is likely linked to the downturn in real estate sales (turnover in housing will often be a time when households choose to go entirely cellular).

The infrastructure maintenance fee (IMF) began in 1998. Prior to this time Ameritech paid the Village a franchise fee for its phone lines throughout the Village. Now all utilities will share in this expense through the 1% IMF. The telecommunications tax and IMF changed (from a local) to a statewide collection basis in 2003 and is distributed to the communities with a two month time lag.

Village of Wilmette FY 2011 Budget



Real Estate Transfer Tax

| Year | Amount |
|------|-----------|
| 2001 | 1,035,792 |
| 2002 | 1,165,068 |
| 2003 | 1,345,450 |
| 2004 | 1,447,829 |
| 2005 | 1,512,987 |
| 2006 | 1,326,561 |
| 2007 | 1,318,662 |
| 2008 | 862,002 |
| 2009 | 634,160 |
| 2010 | 965,000 |
| 2011 | 990,000 |

In 1988 Wilmette adopted a real estate transfer tax under its home rule authority.

The Wilmette real estate transfer tax rate is currently \$3.00 per \$1,000 of consideration involved in a real estate transaction. A referendum to increase the rate to \$5.00 per \$1,000 of consideration failed in March 2004.

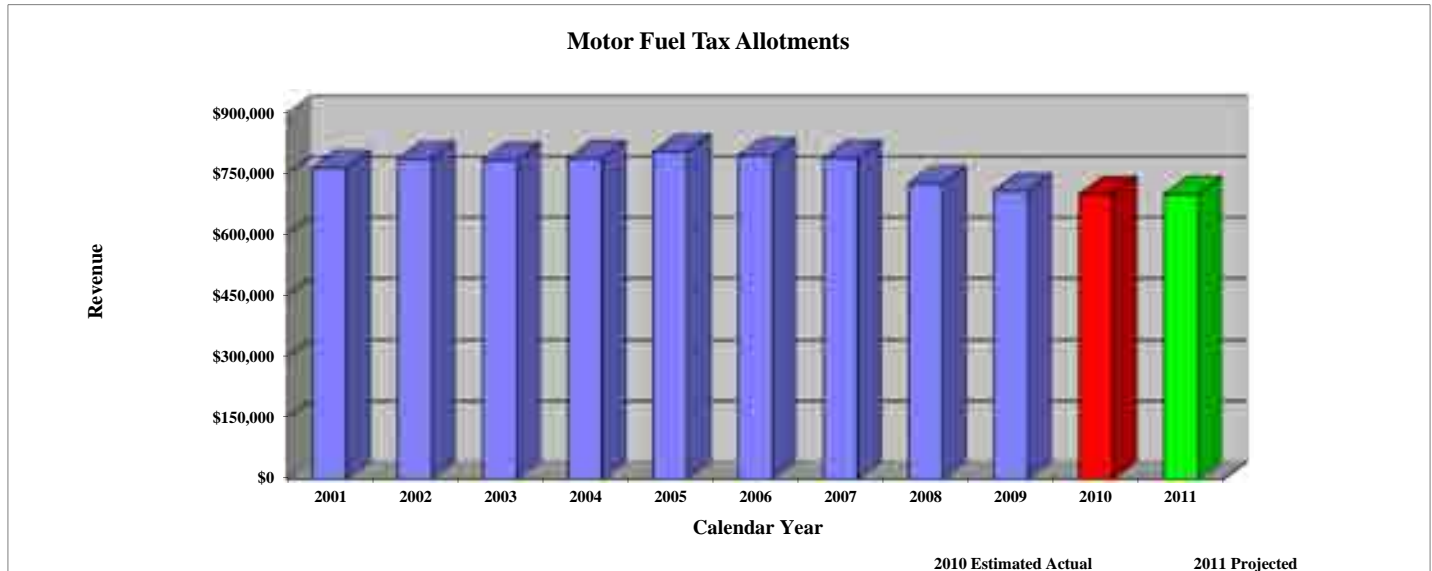
The payment of the tax is the buyer's responsibility.

The transfer tax revenue resulting from property transfers for large new developments are treated as non-operating revenues in the Village's cash flow projections and are not shown on this chart for comparison purposes.

The real estate transfer tax fluctuates widely with the volume of sales of real property. While, on average, 5% of the residences in the Village will “turn over” during the course of a year, this amount has been as little as 2% and as much as 7%. Thus significant year-to-year fluctuations in this revenue are not unusual.

Over the past 20 years we have seen that housing prices tend to stay near one level for a period of years and then have tended to increase significantly. With the nationwide downturn in housing, this trend came to a halt in 2008 and significant price declines were evident for the first time in over 20 years. This continued and worsened in 2009 but pent up demand following two years of decline produced a projected 52% growth in 2010. Growth in 2011 is estimated at 2.6% with optimism that real estate prices have bottomed out and activity will gradually resume to pre-recession levels.

Village of Wilmette FY 2011 Budget



Motor Fuel Tax Allotments

| Year | Amount |
|------|---------|
| 2001 | 765,803 |
| 2002 | 786,651 |
| 2003 | 784,753 |
| 2004 | 789,158 |
| 2005 | 805,445 |
| 2006 | 795,916 |
| 2007 | 789,867 |
| 2008 | 726,184 |
| 2009 | 708,148 |
| 2010 | 700,000 |
| 2011 | 700,000 |

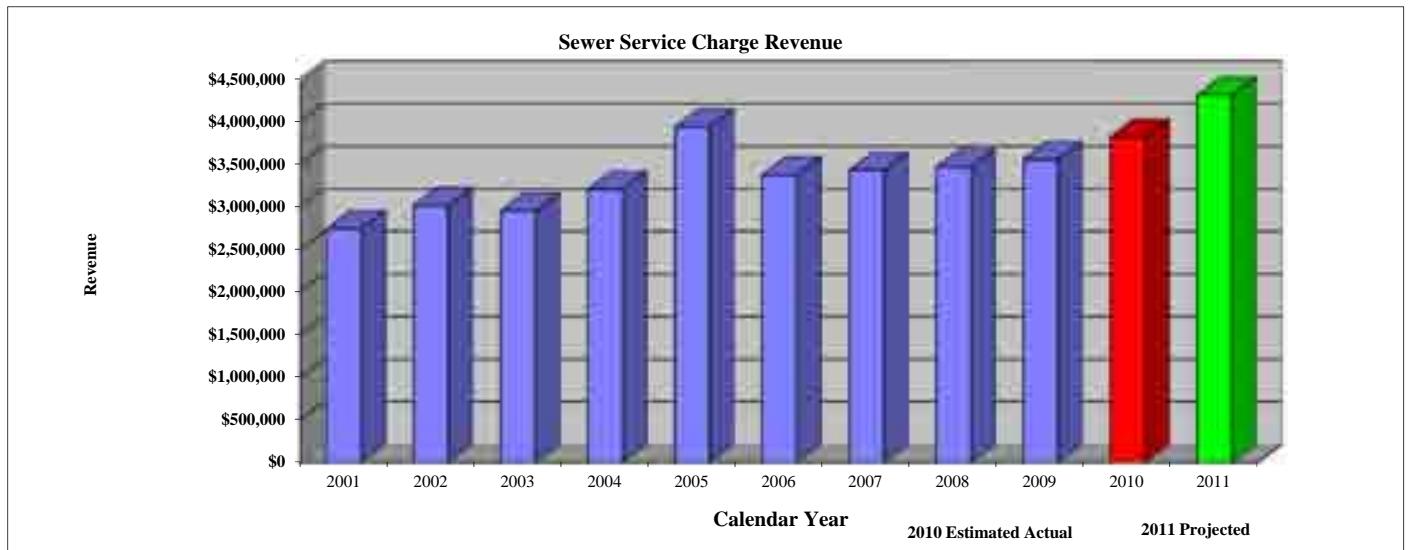
A portion of the State Motor Fuel Tax is allocated back to local governments to use to maintain local roads. The portion returned to municipalities is based upon population.

Changes in motor fuel tax are governed by the State legislature. These changes are infrequent with the most recent occurring in 1999.

Due to an aberration in gasoline prices in conjunction with the legislative action of the prior year, a significant increase was seen in FY 2000. Similar price fluctuation was also evident in 2005 to a lesser degree. The long-term trend for this revenue has been 1-2% annual growth, absent any legislative action.

Recent declines, though small, are likely the result of people choosing to drive less and using more fuel efficient vehicles, thus dropping their fuel consumption.

Village of Wilmette FY 2011 Budget



Sewer Charges

| Year | Amount |
|------|-----------|
| 2001 | 2,742,890 |
| 2002 | 3,012,915 |
| 2003 | 2,951,633 |
| 2004 | 3,206,314 |
| 2005 | 3,934,943 |
| 2006 | 3,371,986 |
| 2007 | 3,429,424 |
| 2008 | 3,468,259 |
| 2009 | 3,556,017 |
| 2010 | 3,820,000 |
| 2011 | 4,313,000 |

The sewer service charge was implemented as of May 1, 1986 as a condition of the Village's receipt of "Build Illinois" grant funds for sewer improvements. In subsequent years, the receipts of low interest loans for sewer improvements (from the Illinois Environmental Protection Agency) were also conditional upon them being repaid from sewer user charges. The sewer rate history is as follows (all rates are per 100 cu.ft. of water consumed):

| | | | |
|-------------------------------|--------|--------------------------|--------|
| May 1, 1986 to December 1987 | \$0.18 | March 2005 to March 2006 | \$2.37 |
| January 1988 to April 1991 | \$0.22 | March 2006 to March 2007 | \$2.40 |
| May 1991 to December 1993 | \$0.66 | March 2007 to March 2008 | \$2.46 |
| January 1994 to December 1995 | \$1.05 | March 2008 to March 2009 | \$2.64 |
| January 1996 to December 1996 | \$1.39 | March 2009 to March 2010 | \$2.86 |
| January 1997 to March 1, 2002 | \$1.75 | March 2009 to March 2011 | \$3.10 |
| March 2002 to March 2004 | \$1.90 | FY 2011 Projected | \$3.44 |
| March 2004 to March 2005 | \$2.28 | | |

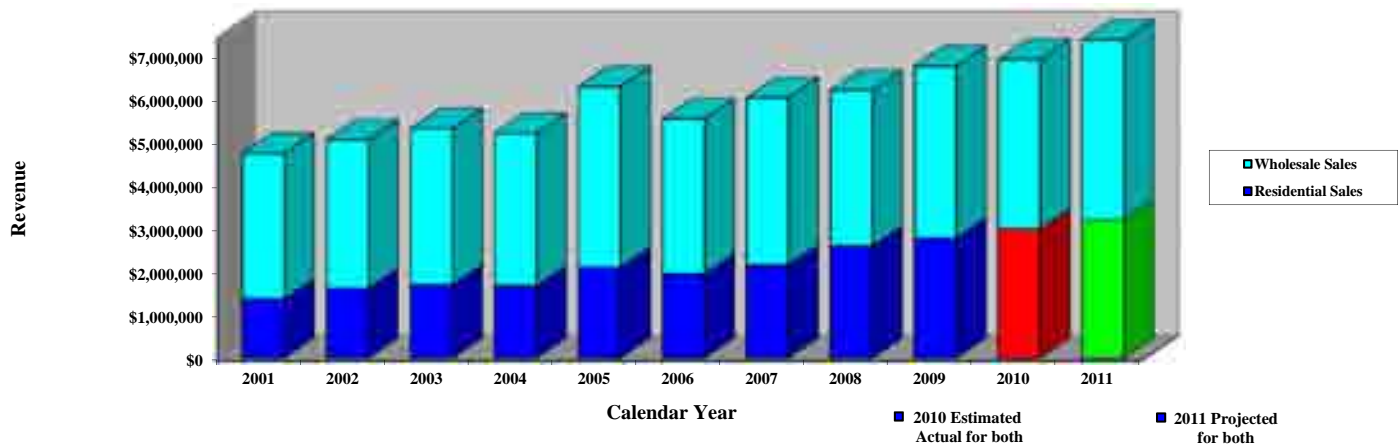
The 2011 sewer user charge of \$3.44/ccf can be broken down into 92 cents for personnel and other recurring operating costs; 17 cents for contractual sewer maintenance and repairs, and; \$2.35 cents for debt service. This debt service is the result of an aging infrastructure for which significant capital improvements have been made over the past 20 years. This debt is summarized as follows:

| Debt Issue | Project Description | Original Borrowing | 2011 Debt Service | Rate Impact | Final Maturity |
|------------------|---|--------------------|-------------------|-------------|----------------|
| 1993 IEPA Loan | Separate System - Sanitary Improvements | 9,477,412 | 667,644 | 0.53 | 6/10/2013 |
| 1995 IEPA Loan | Combined System Phase I | 9,874,474 | 682,041 | 0.54 | 7/1/2014 |
| 1996 IEPA Loan | Combined System Phase II | 4,783,543 | 314,426 | 0.25 | 6/7/2016 |
| 1997 IEPA Loan | Combined System Phase III | 9,008,778 | 610,552 | 0.49 | 9/8/2017 |
| 2006 IEPA Loan | 2006 Sewer Lining & Rehab. | 426,991 | 27,847 | 0.02 | 9/13/2026 |
| 2007 IEPA Loan | 2007 Sewer Lining & Rehab. | 341,794 | 22,498 | 0.02 | 10/21/2027 |
| 2007 IEPA Loan | 2007 Relief Sewer Improvements | 291,779 | 18,997 | 0.02 | 10/21/2027 |
| 2009 IEPA Loan | 2009 Sewer Lining & Rehab. | 172,028 | 8,822 | 0.01 | 4/7/2030 |
| 2002 Gen. Oblig. | 2002-03 Sewer Lining & Relief Sewer | 2,000,000 | 116,393 | 0.09 | 12/1/2022 |
| 2004 Gen. Oblig. | 2004-05 Sewer Lining & Relief Sewer | 2,800,000 | 124,188 | 0.10 | 12/1/2017 |
| 2007 Gen. Oblig. | 2007-08 Sewer Lining & Relief Sewer | 2,450,000 | 149,669 | 0.12 | 12/1/2020 |
| 2009 Gen. Oblig. | SWPS Generator / Sheridan Road | 1,575,000 | 155,826 | 0.12 | 12/1/2021 |
| 2010 Gen. Oblig. | 2011 Relief Sewer & Sewer Repairs | 1,485,000 | 44,674 | 0.04 | 12/1/2019 |
| | | 44,686,799 | 2,943,576 | 2.35 | |

Since sewer revenues are tied to water consumption, this revenue fluctuates with annual water usage. Hot, dry summer months will enhance water consumption while rainy summers will reduce water consumption. Annual rate increases from 2005 through 2009 have been related to operating expense growth and to build back the reserve balance following rainy summers. A 34 cent increase will take effect in 2011 for the 2010 additional debt service and to increase the Sewer Fund reserve. The sewer rate is one of the highest in the area and Wilmette's combined water / sewer rate is now in the top third for the area. The Village feels strongly that this is necessary to properly maintain the sewer infrastructure and efforts have been made to keep the rate increases to a minimum.

Village of Wilmette FY 2011 Budget

Water Sales Revenue



Water Sales

| Year | Residential Sales | Wholesale Sales |
|------|-------------------|-----------------|
| 2001 | 1,382,073 | 3,349,842 |
| 2002 | 1,629,982 | 3,419,764 |
| 2003 | 1,705,073 | 3,600,787 |
| 2004 | 1,683,562 | 3,508,404 |
| 2005 | 2,113,134 | 4,172,356 |
| 2006 | 1,959,511 | 3,577,551 |
| 2007 | 2,169,009 | 3,854,373 |
| 2008 | 2,608,407 | 3,591,752 |
| 2009 | 2,795,003 | 3,961,841 |
| 2010 | 3,002,000 | 3,915,000 |
| 2011 | 3,217,000 | 4,149,900 |

The Village water plant operation supplies water to Wilmette residents and to the Village of Glenview. Through the Village of Glenview, Wilmette supplies water to Citizens Utility Company which services a portion of Prospect Heights.

The residential water rate was 88 cents per 100 cubic feet (ccf) from May, 1991 until 2002. Regular annual increases have occurred since then for growth in operating costs and for capital improvements. The rate for 2010 was \$2.37 per ccf and a 12 cent increase will take effect in March 2011 bringing the rate to \$2.49 per ccf. Increases in recent years have been due to reductions in sales volumes resulting in the significant depletion of the Water Fund Reserve balance.

The wholesale rate is computed through a formula contained in a contract with the Village of Glenview (in effect until 2020). The 2009 rate was \$1.109 per 100 ccf. This rate is regularly calculated every two years, but is also re-calculated when large capital outlay contracts are awarded. The current rate is the result of a recalculation as of 1/1/09 and is projected to increase by 6% when recalculated as of 1/1/11. Under a recently negotiated amendment, any future rate calculations cannot cause the rate to be reduced.

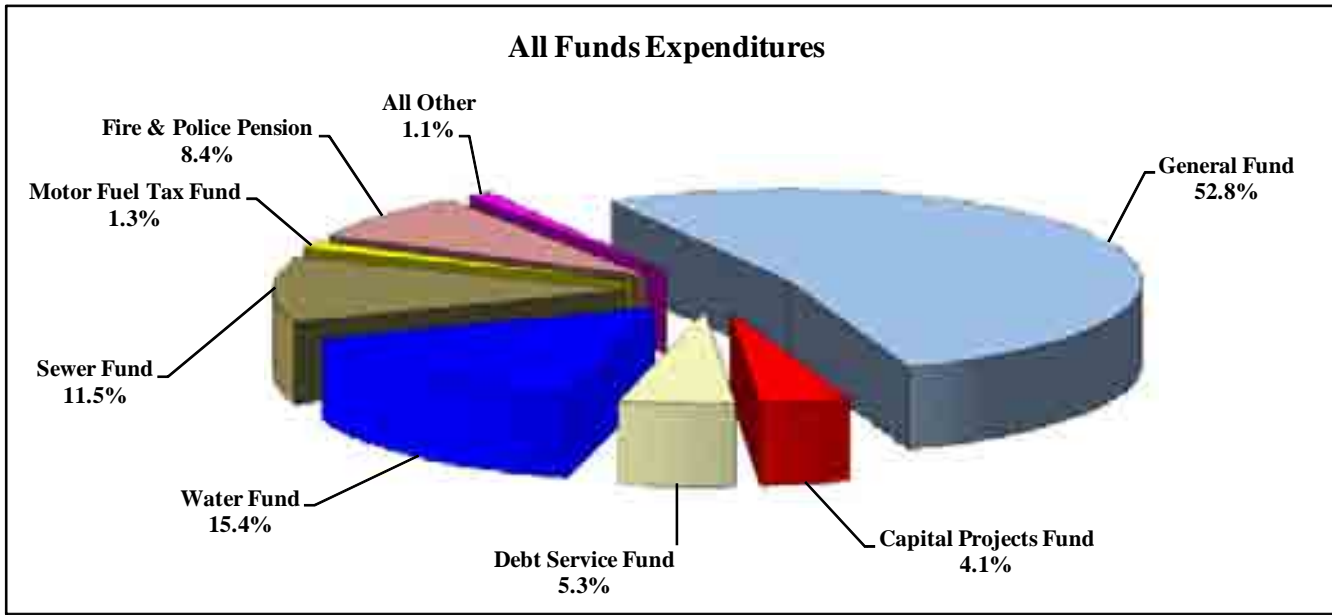
Water resold by Glenview was subject to a 10% rate surcharge but this provision expired in 2008.

Total water sales are second only to property tax as a revenue source for the Village. Residential sales account for about 44% of the revenue while wholesale sales to the Village of Glenview and Citizens Utility Company account for the other 56%. Note that about 75% of all water pumped is for wholesale use. The difference between wholesale and residential water rates accounts for the difference in the revenue impact.

Residential sales have been steadily declining for more than a decade. Increases in sales volume during this period would be weather related. The 2010 water rate of \$2.37 per 100 cubic foot was below average in the area but, as noted in the sewer section, our combined water / sewer rate is above average. An additional 12 cent increase will take effect in 2011 to enhance the reserve balance following three years of below budget sales volume.

The wholesale rate is set by contract with the Village of Glenview that extends to the year 2020. The wholesale rate is re-calculated every other year and (per the contract) can never decrease. The rate of \$1.109 per 100 cubic foot took effect in 2009 and remained in effect in 2010. This rate reflected a 15% increase over the rate calculated in 2007. There are no sales volume growth projections for future years. The 2011 rate recalculation (which would be in place for 2011 and 2012) is expected to produce a 6% increase.

Village of Wilmette 2011 Budget



General Fund:

Includes most of the operating expense for the Village other than Water and Sewer. This includes Police, Fire, Public Works, Refuse Collection and Disposal, and General Government expenditures.

Capital Projects Fund:

This Fund is appropriated as a part of the General Fund. The 2011 budget consists of \$2,385,000 for large equipment purchases and road improvements.

Water Fund:

Provides for all of the expenses to operate the Village's water plant and water distribution system. This includes administrative expenses and provides for an operating transfer to the General Fund.

Sewer Fund:

Provides for the expense of maintaining and improving the Village's sewer system and storm water pumping station. This includes the debt service for capital improvements financed by low interest loans from the Environmental Protection Agency.

Motor Fuel Tax Fund:

Provides for the expenditure of the Village's distribution of the State Motor Fuel Tax. This is used for street repair and resurfacing and other qualified projects for which this money may be used.

Pension Funds:

Includes the expenses for the Police and Fire Pension Funds which the Village administers.

Debt Service Fund:

Provides for the principal and interest payments for the Village's General Obligation debt.

All Other:

Includes the expense of the Village's Parking Meter, Section 105, and Clappitt Estate Funds.

Village of Wilmette FY 2011 Budget



2010 and 2011 -- Estimated Actual and Budget

| Year | General Fund Wages | Enterprise Fund Wages | General Fund Benefits | Enterprise Fund Benefits | Total Personnel Expense | FTE's |
|------|--------------------|-----------------------|-----------------------|--------------------------|-------------------------|--------|
| 2001 | 10,199,624 | 1,667,524 | 2,797,308 | 372,548 | 15,037,004 | 229.80 |
| 2002 | 10,548,309 | 1,795,579 | 3,125,537 | 392,071 | 15,861,496 | 226.72 |
| 2003 | 11,296,461 | 1,976,503 | 3,728,495 | 558,107 | 17,559,566 | 225.48 |
| 2004 | 11,802,813 | 2,054,278 | 4,120,041 | 601,880 | 18,579,012 | 224.23 |
| 2005 | 12,434,474 | 2,167,392 | 4,840,535 | 734,038 | 20,176,439 | 226.13 |
| 2006 | 12,930,482 | 2,253,908 | 5,131,821 | 801,103 | 21,117,314 | 226.11 |
| 2007 | 13,517,896 | 2,389,226 | 5,568,572 | 827,794 | 22,303,488 | 229.13 |
| 2008 | 14,582,832 | 2,531,994 | 5,982,560 | 888,213 | 23,985,599 | 227.93 |
| 2009 | 14,081,782 | 2,529,545 | 6,157,048 | 872,162 | 23,640,537 | 221.25 |
| 2010 | 14,575,870 | 2,520,836 | 6,689,280 | 868,073 | 24,654,059 | 213.65 |
| 2011 | 14,808,700 | 2,587,370 | 7,427,000 | 939,100 | 25,762,170 | 212.38 |

Wages and employee benefits are broken out between the General Fund and the Enterprise Funds to provide the total personnel cost of the Village. The Enterprise Funds include the Water, Sewer and Parking Meter Funds.

Employee benefits include employer pension contributions (including FICA and Medicare), employer health insurance premiums, group life insurance premiums, workers' compensation and unemployment compensation.

For 2011 the total personnel costs of \$25,762,170 represents nearly 45% of the total budget. Excluding debt financed capital outlay (which occurs irregularly), the personnel budget is over 51% of the total budget.

Full-Time Equivalent positions budgeted are noted for information and comparison purposes.

Excluding major capital projects, personnel costs represent about 2/3 of the Village's budget.

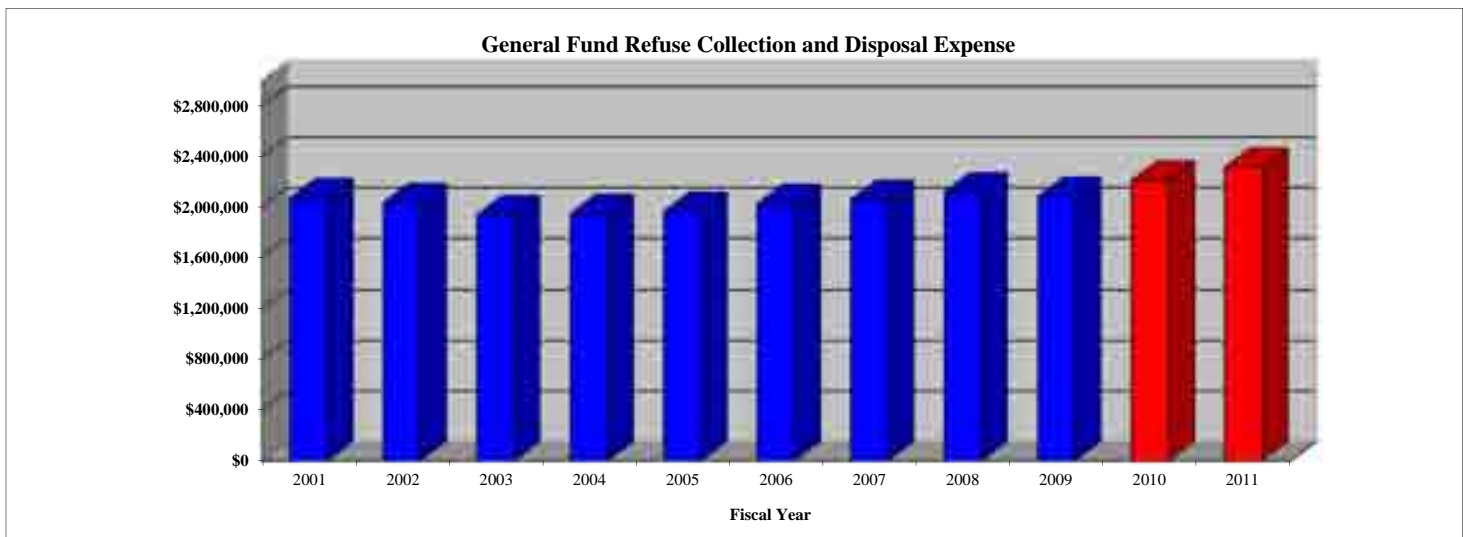
Personnel expense has increased an average of 5.6% annually over the past ten years. These costs consist of wages and fringe benefits. While wages have increased by less than 4% over the past decade, benefits have increased more than 10%. Overall annual wage increases can be linked to existing collective bargaining agreements (CBA's) with the Village's Police and Firefighter unions. Unrepresented employees have always received increases in line with these CBA's. While budgeted FTE's had ranged between 224 and 230 from FY 2000 through 2008, the economic decline which began in the latter half of 2008 has resulted in a budgeted FTE decrease to 212.38 in 2011.

The total authorized full-time and semi-full time employees (the total number receiving full-time benefits) ranged from 206 to 209 during the years 2001 through 2008. From 2009 through 2011 eleven positions were eliminated (through attrition) bringing this total to 196. Part-time and seasonal positions that have been eliminated along with full-time positions that have been reduced to semi-full time account for the total FTE decrease of 15.55 positions since 2008.

As noted above, benefit expense growth has significantly outpaced wage growth. In 2001, wages reflected 79% of the total personnel cost and benefits the other 21%. In 2011 this ratio is 67.5% wages and 32.5% benefits. In the early part of the decade this benefit growth was driven by rising health insurance premiums but this has now leveled off with a decrease in 2010 and zero growth in 2011. Since 2006 the cost of Public Safety pension contributions have increased more than 72% resulting from poor investment performance and from benefit enhancements set by the State Legislature.

Future cash projections reflect 3% growth in wages and 6% growth in benefits. Wage growth is based on the Village's contracts with its police and fire unions as well as projected increases for scheduled step and longevity changes and benefit costs. Public safety pension contributions are projected to increase 16% (\$659,000) in 2011 and 4% (\$195,000) in 2012.

Village of Wilmette FY 2011 Budget



General Fund Refuse Expense

2010 and 2011 -- Estimated Actual

| Fiscal Year | Amount |
|-------------|-----------|
| 2001 | 2,069,858 |
| 2002 | 2,033,274 |
| 2003 | 1,936,117 |
| 2004 | 1,945,521 |
| 2005 | 1,962,862 |
| 2006 | 2,025,235 |
| 2007 | 2,057,923 |
| 2008 | 2,119,086 |
| 2009 | 2,083,029 |
| 2010 | 2,209,950 |
| 2011 | 2,315,000 |

This includes the cost of contractual refuse collection, contractual recycling collection and landfill tipping fees.

In 2010, the refuse program was revised to provide for curb-side pick throughout the Village (in areas where alley pick-up is not available). In prior years, these areas would receive back door pick-up by the refuse contractor. The new contract is expected to save \$2.2 million through 2016.

Backdoor collection is still available from the contractor for an additional fee. This fee is billed and collected directly by the contractor.

The contract calls for 3.5% annual increases that take effect on April 1 annually.

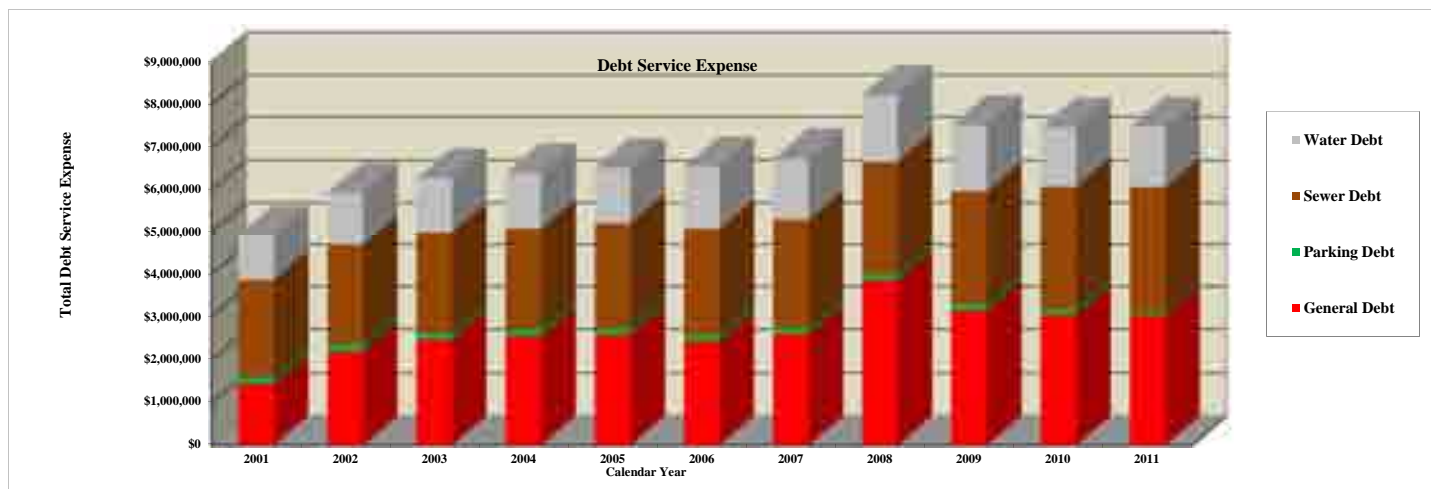
Refuse expenditures dropped significantly in 1993-94 when the Village changed its contractual service to once per week from twice per week. Since that time, refuse costs have increased by about 2.5% annually. The growth of the contractual collection was controlled by the Chicagoland Consumer Price Index (CCPI). A contract extension in 1998 provided for no increase for a two year period and CCPI growth beginning in 2001 through 2005. This contract was again extended in 2006 through the end of 2009.

The only expense growth from 1998 through 2000 was from landfill tipping fees. The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which is a consortium designed to purchase and operate a landfill site for member communities. The members' contributions to SWANCC exceeded inflationary growth due to the legal matters involved in setting up the landfill. The consortium no longer intends to operate a landfill and has sold most of its land that was originally purchased. The sales proceeds have been used to reduce the debt burden, reflecting a drop in these costs in 2002 and 2003.

The institution of a monthly refuse fee in 2002 also caused a reduction in expense as many multi-family dwellings opted to arrange for their own refuse collection. By doing so, the Village no longer had to pay the contractor for these units.

A new refuse contract was negotiated in 2009 that took effect in 2010. With this new contract, back door collection is being eliminated in 2010 (in areas without alleys) in favor of curb-side collection. Had this previous service been continued, costs were expected to increase 30%. The new contract resulted in 13% expense growth. Residents wishing to keep back-door service have the option of paying the contractor an additional fee to do so. The new contract calls for 3.5% annual increases that take effect April 1 each year.

Village of Wilmette FY 2011 Budget



2010 and 2011 -- Estimated Actual

| Year | Debt Service Expense | | | |
|------|----------------------|---------|-----------|-----------|
| | General | Parking | Sewer | Water |
| 2001 | 1,457,046 | 141,138 | 2,274,663 | 1,059,389 |
| 2002 | 2,218,624 | 142,143 | 2,339,319 | 1,241,596 |
| 2003 | 2,473,255 | 142,913 | 2,387,128 | 1,279,433 |
| 2004 | 2,555,782 | 144,870 | 2,391,586 | 1,316,585 |
| 2005 | 2,572,760 | 139,038 | 2,510,328 | 1,303,717 |
| 2006 | 2,439,860 | 135,088 | 2,510,106 | 1,471,561 |
| 2007 | 2,600,634 | 137,625 | 2,560,752 | 1,436,048 |
| 2008 | 3,867,920 | 138,512 | 2,662,826 | 1,559,845 |
| 2009 | 3,156,907 | 130,075 | 2,688,310 | 1,538,436 |
| 2010 | 3,054,660 | 131,175 | 2,897,878 | 1,366,500 |
| 2011 | 3,045,000 | 67,120 | 2,965,300 | 1,388,000 |

General Debt Service Expense includes the expense in the General Debt Service Fund plus any interest expense paid in the Capital Projects Fund. The steady increase from 2001 through 2011 reflects the Village's infrastructure improvements for roads and buildings.

General Debt incorporates the 2002, 2004, 2007, 2009 and new 2010 bond issues. There is no new tax supported debt projected at this time. The Parking Meter debt pertains to a portion of the 2004 bond issue related to the Burmeister Parking Facility and 2011 will be the final year of Parking Meter Fund Debt Service.

Sewer debt includes seven IEPA Loans as well as a portion of the 2002, 2004, 2007, 2009 and 2010 General Obligation Bond Issues plus a projection for new IEPA debt (totaling \$900,000 in borrowing) in 2011.

The Water Debt consists of a portion of the 2002, 2004, 2007 and 2009 General Obligation Bond Issues and a portion of the new 2010 issue.

The \$7,465,420 expense in 2011 represents 13.0% of the total budget.

The Village's debt service expense has grown significantly over the past decade. From 1998 through 2010 general obligation bonds of \$45 million were issued for road and streetscape improvements, street lighting improvements, computer technology and building improvements. In making this investment in the Village's infrastructure, tax supported debt service has grown 109% since 2001.

Additional debt financed water and sewer related infrastructure improvements have also occurred over the past decade – a total of about \$12 million in each of these two Funds. This increased Sewer Fund debt service by 30% since 2001 and by 31% in the Water Fund during this time span.

Village of Wilmette

FY 2011 Budget

General Fund Revenues

| Description | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------|
| Property Taxes: | | | | | | |
| Collections of Prior Years' Levies | (1,817) | 2,092 | | | - | |
| 2001 Tax Levy Receipts | (14,711) | (872) | (127) | | - | |
| 2002 Tax Levy Receipts | (5,600) | (13,271) | (158) | | - | |
| 2003 Tax Levy Receipts | (9,461) | (6,238) | (12,926) | | - | |
| 2004 Tax Levy Receipts | (31,595) | (23,810) | (15,918) | | - | |
| 2005 Tax Levy Receipts | 53,553 | (88,887) | (21,902) | | - | |
| 2006 Tax Levy Receipts | 9,095,560 | 155,102 | (48,298) | | - | |
| 2007 Tax Levy Receipts | | 8,694,081 | 110,912 | | | |
| 2008 Tax Levy Receipts | | | 9,580,614 | 100,000 | 100,000 | |
| 2009 Tax Levy Receipts | | | | 10,416,200 | 10,316,200 | 100,000 |
| 2010 Tax Levy Receipts | | | | - | - | 10,991,500 |
| Allowance for Tax Refunds | | | | (50,000) | (50,000) | (50,000) |
| Road & Bridge Tax Receipts | 672 | 924 | 912 | 500 | 1,000 | 1,000 |
| Total Property Tax Revenue | 9,086,601 | 8,719,121 | 9,593,109 | 10,466,700 | 10,367,200 | 11,042,500 |
| Other Tax Revenue: | | | | | | |
| Real Estate Transfer Tax | 1,318,662 | 862,002 | 634,160 | 800,000 | 965,000 | 990,000 |
| Non-Recurring R.E.T.T. | 47,598 | 18,315 | - | - | 10,000 | 15,000 |
| State Sales Tax | 3,522,784 | 3,635,888 | 3,247,381 | 3,295,000 | 3,190,000 | 3,237,850 |
| Home Rule Sales Tax | 594,225 | 590,467 | 510,424 | 515,000 | 510,000 | 517,650 |
| State Income Tax | 2,447,409 | 2,617,554 | 2,247,445 | 2,280,000 | 2,070,000 | 2,101,050 |
| Utility Tax - Electric | 1,026,277 | 991,724 | 905,461 | 960,000 | 970,000 | 970,000 |
| Utility Tax - Natural Gas | 431,873 | 464,453 | 477,228 | 430,000 | 430,000 | 430,000 |
| Utility Tax - Telecommunications | 1,203,060 | 1,334,009 | 1,283,605 | 1,225,000 | 1,275,000 | 1,275,000 |
| Wireless 911 Tax | 127,406 | 204,113 | 160,942 | 159,000 | 157,000 | 157,000 |
| E-911 Surcharge | 288,197 | 283,246 | 271,017 | 288,000 | 270,000 | 270,000 |
| Auto Lease Tax | 172 | 10 | - | - | - | - |
| Personal Prop. Replacement Tax | 292,975 | 288,607 | 243,478 | 216,000 | 210,000 | 213,150 |
| Fuel Tax | 96,613 | 83,228 | 88,958 | 90,000 | 90,000 | 90,000 |
| Total Other Tax Revenue | 11,397,251 | 11,373,616 | 10,070,099 | 10,258,000 | 10,147,000 | 10,266,700 |
| Fine Revenue: | | | | | | |
| Circuit Court Collections | 69,370 | 83,969 | 67,597 | 70,000 | 70,000 | 70,000 |
| Collected Locally | 203,943 | 306,475 | 231,909 | 310,000 | 310,000 | 335,000 |
| Animal Impounds | 713 | 903 | 662 | 800 | 800 | 800 |
| Total Fine Revenue | 274,026 | 391,347 | 300,168 | 380,800 | 380,800 | 405,800 |
| License Revenue: | | | | | | |
| Sales of Vehicle Licenses | 1,276,415 | 1,278,402 | 1,348,768 | 1,360,000 | 1,350,000 | 1,350,000 |
| Sales of Taxi Licenses | 13,515 | 12,665 | 14,905 | 19,100 | 19,100 | 19,100 |
| Sales of Animal Licenses | 1,365 | 1,530 | 1,575 | 1,500 | 1,500 | 1,500 |
| Business Licenses | 171,240 | 173,080 | 165,163 | 249,000 | 236,000 | 236,000 |
| Liquor Licenses | 44,385 | 46,688 | 53,520 | 45,000 | 52,000 | 52,000 |
| Total License Revenue | 1,506,920 | 1,512,365 | 1,583,931 | 1,674,600 | 1,658,600 | 1,658,600 |

Village of Wilmette
FY 2011 Budget

General Fund Revenues

| Description | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------|
| Permit Revenue: | | | | | | |
| Non-Recurring Permits | 25,931 | 80,594 | - | - | - | - |
| Building Permits | 1,044,809 | 822,420 | 630,681 | 667,000 | 708,700 | 742,000 |
| Roof Permits | 12,927 | 10,479 | 9,900 | 9,000 | 9,000 | 9,300 |
| Demolition Permits | 96,135 | 57,907 | 47,305 | 40,000 | 25,000 | 25,750 |
| Inspection fees | 292,743 | 193,582 | 155,899 | 186,000 | 191,000 | 196,700 |
| Electric Permits (incl. A/C) | 80,464 | 61,900 | 37,506 | 45,000 | 45,000 | 46,300 |
| Plumbing Permits | 53,274 | 41,947 | 34,423 | 39,000 | 39,000 | 40,200 |
| Driveway Permits | 25,013 | 20,195 | 12,983 | 13,000 | 13,000 | 13,400 |
| Grading Permits | 8,270 | 7,757 | 10,426 | 6,700 | 11,000 | 11,300 |
| Pavement Degradation Fee | 71,829 | 67,602 | 26,950 | 34,000 | 20,000 | 20,600 |
| Dumpster Permits | 15,504 | 11,387 | 8,693 | 10,700 | 10,700 | 11,000 |
| Fence Permits | 12,656 | 10,663 | 8,215 | 9,000 | 11,000 | 11,300 |
| Tree Removal Permits | 5,900 | 5,585 | 4,730 | 4,800 | 6,800 | 7,000 |
| All Other Permits | 3,200 | 4,157 | 3,278 | 3,200 | 3,200 | 3,300 |
| Plan Review Fees | 82,844 | 73,723 | 49,456 | 58,000 | 58,000 | 59,750 |
| Filing Fees | 21,570 | 25,533 | 23,455 | 20,100 | 20,100 | 20,700 |
| Permit Penalties | 22,738 | 26,517 | 13,603 | 14,500 | 18,500 | 19,000 |
| Total Permit Revenue | 1,875,807 | 1,521,948 | 1,077,503 | 1,160,000 | 1,190,000 | 1,237,600 |
| Service Charges: | | | | | | |
| Refuse charges | 1,554,107 | 1,634,434 | 1,787,221 | 2,024,000 | 2,024,000 | 2,094,800 |
| Ambulance charges | 349,976 | 373,247 | 415,512 | 404,400 | 404,400 | 405,400 |
| Sales of Yard Waste Bags | 117,748 | 103,631 | 99,090 | 115,000 | 100,000 | 100,000 |
| Burglar Alarm Service | 20,957 | 8,213 | 19,444 | 20,000 | 15,000 | 20,000 |
| Fire Alarm Service | 7,750 | 7,779 | 7,810 | 8,000 | 8,000 | 16,000 |
| Street Light & Parkway Damage | 32,962 | 67,680 | 32,693 | 32,000 | 32,000 | 32,000 |
| Traffic / Parking & Consulting | 652 | 2,543 | - | - | - | - |
| Sanitarian Services | 16,612 | 12,005 | 22,408 | 23,400 | 47,600 | 48,000 |
| Animal Control Services | 5,040 | 3,780 | - | - | - | - |
| C.A.D. Service Charges | 360 | 7,620 | 1,087 | 1,500 | 1,500 | 1,500 |
| Other Police Dept. Service Charges | 950 | 850 | 550 | 300 | 300 | 300 |
| French Market Service Charges | 1,350 | 2,025 | 2,175 | 2,200 | 2,025 | 2,025 |
| Park District & School Services | 42,960 | 45,938 | 38,774 | 36,000 | 46,000 | 56,425 |
| Maintenance of State Routes | 18,417 | 19,392 | 18,198 | 19,500 | 13,500 | 13,500 |
| Elevator Inspections | 13,204 | 17,340 | 15,856 | 13,400 | 16,000 | 16,000 |
| Munic. Serv. - Shore Line Pl. | 14,650 | 15,288 | 16,335 | 16,400 | 18,030 | 18,030 |
| Munic. Serv. - Fairfield Ct. | 56,338 | 56,338 | 61,114 | 61,100 | 61,100 | 61,100 |
| CPR Program Fees | 1,155 | 1,900 | 1,460 | 1,200 | 1,200 | 1,200 |
| Flu Shot Reimbursements | 11,975 | 12,910 | 8,713 | 10,000 | 10,000 | 10,000 |
| Other Health Dept. Reimb. | 2,840 | 4,450 | 2,937 | 2,000 | 2,000 | 2,000 |
| Atrium Units - closing fees | 2,000 | 1,000 | 1,000 | 2,000 | 2,000 | 2,000 |
| Total Service Charges | 2,272,003 | 2,398,363 | 2,552,377 | 2,792,400 | 2,804,655 | 2,900,280 |
| Franchise Fees: | | | | | | |
| Cable TV Franchise Fees | 338,065 | 381,042 | 396,223 | 405,000 | 405,000 | 417,000 |
| Commercial Waste Franchise fee | - | - | 75,000 | 75,000 | 78,750 | 81,000 |
| Total Franchise Fees | 338,065 | 381,042 | 471,223 | 480,000 | 483,750 | 498,000 |

**Village of Wilmette
FY 2011 Budget**

General Fund Revenues

| Description | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------|
| Rental Income: | | | | | | |
| Rent - Wilmette Park District | 48,730 | 50,300 | 49,911 | 52,700 | 52,700 | 52,900 |
| Rent - Depot | - | - | - | - | 26,000 | 48,887 |
| Rent - 3545 Lake Ave. | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| Cellular Antenna rentals | 830,764 | 291,510 | 294,779 | 280,000 | 295,000 | 295,000 |
| Total Rental Income | 881,894 | 344,210 | 347,090 | 335,100 | 376,100 | 399,187 |
| Enterprise Fund Transfers: | | | | | | |
| Water Fund Transfer | 600,000 | 850,000 | 950,000 | 1,000,000 | 1,000,000 | 1,050,000 |
| Clampitt Fund Transfer | 9,000 | 9,000 | 9,000 | 19,000 | 19,000 | 19,000 |
| Total Fund Transfers | 609,000 | 859,000 | 959,000 | 1,019,000 | 1,019,000 | 1,069,000 |
| Grants & Bond Proceeds: | | | | | | |
| EAB Tree Removal Grant | 56,566 | - | - | - | - | - |
| Incandescent Light Grant | - | - | - | - | - | 12,000 |
| F.E.M.A. Grants | 886,005 | 46,705 | - | - | - | - |
| Police Grants | 34,406 | 37,015 | 58,988 | 31,000 | 31,000 | 100,505 |
| Fire Grants | 6,634 | 8,745 | 5,740 | - | - | - |
| Fire Generator Grant | - | - | - | - | 29,700 | - |
| V.C. Master Plan Grant | - | - | - | 100,000 | 100,000 | - |
| Total Bond Proceeds & Grants | 983,611 | 92,465 | 64,728 | 131,000 | 160,700 | 112,505 |
| Other Non-Recurring Revenues: | | | | | | |
| Sale of Volume Cap Allocation | 22,884 | - | - | - | - | - |
| Section 125 Balance Write-Off | 298 | 1,440 | 743 | - | - | - |
| Affordable Housing Contributions | 41,250 | - | 10,000 | 20,000 | 20,000 | 20,000 |
| HAP Lien Collections | 900 | - | 900 | - | - | - |
| Encumbrances written off | 738 | 44,153 | - | - | - | - |
| Fire Station Contractor reimb. | 3,019 | - | - | - | - | - |
| Insurance Recoveries | 6,287 | 199,698 | - | - | - | - |
| Donations | 3,000 | 30,350 | 700 | 5,000 | 1,000 | - |
| Total Other Non-Recurring | 78,376 | 275,641 | 12,343 | 25,000 | 21,000 | 20,000 |
| Interest Income | 276,617 | 111,893 | 13,790 | 25,000 | 15,000 | 15,000 |
| Other Income: | | | | | | |
| Sale of General Fixed Assets | 12,445 | 32,516 | 747 | 20,000 | 107,160 | 30,000 |
| Historical Society Reimb. | 13,424 | 16,446 | 19,218 | 16,725 | 16,725 | 17,200 |
| Other Income | 32,150 | 23,318 | 24,598 | 27,500 | 27,500 | 27,500 |
| Interest - property tax collections | 17,416 | 20,234 | 2,474 | 10,000 | 2,500 | 2,500 |
| Total Miscellaneous | 75,435 | 92,514 | 47,037 | 74,225 | 153,885 | 77,200 |
| Total General Fund Revenues | 29,655,606 | 28,073,525 | 27,092,398 | 28,821,825 | 28,777,690 | 29,702,372 |

**Village of Wilmette
FY 2011 Budget**

Internal Service Funds' Revenues

| Description | Actual | Actual | Actual | Budget | Estimated | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | FY 2007 | FY 2008 | FY 2009 | FY 2010 | Actual | Budget |
| | FY 2010 | | | | FY 2010 | FY 2011 |
| Employee Insurance Fund: | | | | | | |
| Contributions from other Funds: | | | | | | |
| General Fund | 1,924,011 | 2,072,960 | 1,886,847 | 1,954,983 | 1,874,803 | 1,940,668 |
| Municipal Garage | 64,788 | 66,570 | 70,234 | 71,560 | 69,070 | 73,180 |
| Parking Meter Fund | 24,275 | 24,262 | 16,273 | 16,320 | 17,620 | 17,630 |
| Sewer Fund | 69,102 | 76,641 | 77,212 | 80,990 | 78,955 | 83,280 |
| Water Fund | 309,179 | 342,958 | 316,886 | 309,190 | 293,795 | 310,330 |
| Total Revenues | 2,391,355 | 2,583,391 | 2,367,452 | 2,433,043 | 2,334,243 | 2,425,088 |

Municipal Garage Fund:

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Contributions from other Funds: | | | | | | |
| Insurance Recoveries | 10,311 | 22,277 | 31,395 | 16,000 | 16,000 | 16,140 |
| General Fund | 836,905 | 873,638 | 835,603 | 893,560 | 876,940 | 891,600 |
| Sewer Fund | 94,690 | 98,920 | 94,520 | 101,100 | 99,230 | 100,900 |
| Water Fund | 132,450 | 138,410 | 132,260 | 141,500 | 138,810 | 141,100 |
| Total Revenues | 1,074,356 | 1,133,245 | 1,093,778 | 1,152,160 | 1,130,980 | 1,149,740 |

Workers' Compensation Fund:

| | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Contributions from other Funds: | | | | | | |
| Insurance Recoveries | 29,328 | 31,394 | 26,007 | - | - | - |
| General Fund | 198,323 | 232,320 | 230,156 | 242,300 | 242,300 | 263,960 |
| Municipal Garage | 6,860 | 8,000 | 7,900 | 8,540 | 8,540 | 9,680 |
| Parking Meter Fund | 1,540 | 1,830 | 1,670 | 2,270 | 2,270 | 2,580 |
| Sewer Fund | 5,750 | 6,980 | 6,860 | 7,130 | 7,130 | 8,240 |
| Water Fund | 27,950 | 32,910 | 32,580 | 39,760 | 39,760 | 36,240 |
| Total Revenues | 269,751 | 313,434 | 305,173 | 300,000 | 300,000 | 320,700 |

Illinois Municipal Retirement Fund:

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Contributions from other Funds: | | | | | | |
| General Fund | 994,893 | 1,001,804 | 974,957 | 1,018,980 | 1,018,980 | 1,093,280 |
| Municipal Garage | 74,506 | 75,638 | 79,340 | 83,180 | 83,180 | 89,630 |
| Parking Meter Fund | 14,102 | 14,195 | 15,976 | 17,350 | 17,350 | 18,800 |
| Sewer Fund | 59,797 | 61,822 | 68,972 | 74,160 | 74,160 | 80,730 |
| Water Fund | 299,700 | 308,026 | 314,791 | 332,840 | 310,630 | 345,620 |
| Total Revenues | 1,442,998 | 1,461,485 | 1,454,036 | 1,526,510 | 1,504,300 | 1,628,060 |

**Village of Wilmette
FY 2011 Budget**

Other Funds' Revenues

| Description | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------------------|-------------------|
| Capital Projects Fund: | | | | | | |
| Bond Issue Proceeds | 9,889,757 | | 1,598,317 | - | 1,515,000 | |
| Bond Proceeds Interest Inc. | 185,157 | 145,563 | 13,807 | - | 8,000 | |
| General Fund Transfer | - | | | | | |
| Sheridan Road Grant | 350,712 | 211,868 | | | | |
| Sheridan Rd. Land Acquisition Grant | 175,701 | | | | | |
| CMAQ Grant | - | 89,565 | 338,195 | | | |
| Fire Truck Grant | - | 675,000 | | | | |
| Sale of Fire Truck | | 24,000 | 33,000 | | | |
| LEE.D.S. Grant (PW Facility) | | 15,000 | 61,500 | | | |
| Evanston portion of Sheridan Road Project | 30,352 | 1,013 | 177,060 | | | |
| Skokie Valley Bicycle Trail Grant | | 60,000 | | - | | |
| Skokie Valley Bicycle Trail Contributions | | 22,508 | 2,925 | | | |
| Winnetka CAD Contributions | 235,516 | 37,839 | 445 | | | |
| Park Dist. Phone Contribution | | | 8,453 | | | |
| Fire Station #26 Bicycle Path Grant | 74,738 | | 132,236 | | | |
| 15th & Lake Pedestrian Signal Cook County Contribution | (928) | | | | | |
| Primeco Litigation Cy Pres Distribution | 60,115 | | | | | |
| IEPA - Leaking Fuel Tank Remediation reimbursement | 117,796 | | | | | |
| 2008 Encumbrances written off | | | 11,036 | | | |
| Total Revenues | 11,118,916 | 1,282,356 | 2,376,974 | - | 1,523,000 | - |

General Debt Service Fund:

Property Taxes:

| | | | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Collections of Earlier Levies | (358) | 327 | | | | |
| 2001 Tax Levy Receipts | (3,206) | (190) | (28) | | | |
| 2002 Tax Levy Receipts | (1,489) | (3,528) | (42) | | | |
| 2003 Tax Levy Receipts | (2,806) | (1,850) | (3,834) | | | |
| 2004 Tax Levy Receipts | (9,503) | (7,162) | (4,788) | | | |
| 2005 Tax Levy Receipts | 15,486 | (25,703) | (6,333) | | | |
| 2006 Tax Levy Receipts | 2,496,077 | 42,564 | (13,254) | | | |
| 2007 Tax Levy Receipts | - | 3,309,347 | 41,329 | | | |
| 2008 Tax Levy Receipts | - | | 3,109,275 | 33,000 | 33,000 | |
| 2009 Tax Levy Receipts | - | - | - | 3,069,000 | 3,000,000 | 69,000 |
| 2010 Tax Levy Receipts | - | - | - | - | - | 2,992,400 |
| Allowance for Tax Refunds | | | | (23,000) | (23,000) | (23,000) |
| Total Revenues | 2,494,201 | 3,313,805 | 3,122,325 | 3,079,000 | 3,010,000 | 3,038,400 |

**Village of Wilmette
FY 2011 Budget**

Other Funds' Revenues

| Description | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---|---------------------------|
| <u>Motor Fuel Tax Fund:</u> | | | | | | |
| Motor Fuel Tax Allotments | 789,867 | 726,184 | 708,148 | 740,000 | 700,000 | 700,000 |
| Interest Income | 29,657 | 12,819 | 5,547 | 10,000 | 5,000 | 5,000 |
| Total Revenues | 819,524 | 739,003 | 713,695 | 750,000 | 705,000 | 705,000 |
| <u>Firemen's Pension Fund:</u> | | | | | | |
| Employer Contribution | 1,245,800 | 1,394,000 | 1,620,000 | 1,824,000 | 1,880,700 | 2,163,900 |
| Payroll Deductions | 321,413 | 350,318 | 392,365 | 394,000 | 377,000 | 394,000 |
| Investment Income | 2,439,412 | (3,726,659) | 3,425,756 | 1,850,000 | 1,850,000 | 1,982,000 |
| Total Revenues | 4,006,625 | (1,982,341) | 5,438,121 | 4,068,000 | 4,107,700 | 4,539,900 |
| <u>Police Pension Fund:</u> | | | | | | |
| Employer Contribution | 1,016,400 | 1,112,000 | 1,300,000 | 1,482,000 | 1,540,900 | 1,827,400 |
| Payroll Deductions | 351,273 | 374,883 | 388,993 | 405,000 | 376,000 | 405,000 |
| Investment Income | 2,397,992 | (3,597,670) | 3,425,756 | 1,850,000 | 1,850,000 | 1,913,000 |
| Total Revenues | 3,765,665 | (2,110,787) | 5,114,749 | 3,737,000 | 3,766,900 | 4,145,400 |
| <u>Section 105 Fund:</u> | | | | | | |
| Contributions from other Funds: | | | | | | |
| General Fund | 104,350 | 121,220 | 124,480 | 138,100 | 139,180 | 151,900 |
| Municipal Garage | 2,750 | 3,090 | 3,380 | 3,700 | 3,770 | 4,100 |
| Sewer Fund | 3,300 | 3,700 | 4,070 | 4,500 | 4,525 | 4,900 |
| Water Fund | 13,100 | 15,390 | 16,870 | 18,700 | 17,525 | 19,100 |
| Investment Income | 21,648 | 10,251 | 3,269 | 25,000 | 5,000 | 20,000 |
| Total Revenues | 145,148 | 153,651 | 152,069 | 190,000 | 170,000 | 200,000 |
| <u>Clampitt Fund:</u> | | | | | | |
| Interest Income | 5,820 | 2,117 | 512 | 1,500 | 552 | 500 |
| Donations | 1,300 | - | - | - | - | - |
| Total Revenues | 7,120 | 2,117 | 512 | 1,500 | 552 | 500 |

Village of Wilmette

FY 2011 Budget

Parking Meter Fund Revenues

| Description | | | | | Estimated | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Actual FY 2010 | Budget FY 2011 |
| CBD Parking Meter Revenue: | | | | | | |
| Commuter Lot - Village | 4,683 | 4,338 | 8,808 | 8,800 | 7,800 | 7,800 |
| Commuter Lot - R.R. | 19,211 | 16,520 | 36,131 | 36,200 | 33,250 | 33,250 |
| Poplar Drive Lots | 9,812 | 9,348 | 10,310 | 10,400 | 7,750 | 7,750 |
| Debit Cards - Village | 21,939 | 22,341 | 24,197 | 23,100 | 24,900 | 24,900 |
| Debit Cards - R.R. | 92,043 | 93,649 | 101,913 | 97,100 | 106,100 | 106,100 |
| CBD Parking Permit Revenue: | | | | | | |
| Park Ave. Lot | 18,300 | 18,300 | 18,300 | 18,300 | 18,300 | 18,300 |
| St. Augustine Lot | 6,800 | 6,900 | 7,200 | 6,000 | 7,200 | 7,200 |
| 11th & Central Lot | 380 | 1,520 | 2,415 | 2,000 | 1,280 | 1,280 |
| Masonic Temple Lot | 710 | 2,350 | 1,050 | 1,000 | 1,350 | 1,350 |
| Atrium Lot | 2,360 | 2,140 | 1,820 | 1,800 | 1,800 | 1,800 |
| METRA Station rent | 2,765 | 2,765 | 2,765 | 2,765 | 2,765 | 2,765 |
| CTA Lot Revenue: | | | | | | |
| Commuter Drop Box Revenue | 79,160 | 97,704 | 142,941 | 150,000 | 145,000 | 145,000 |
| Commuter Permit Revenue | 16,360 | 11,340 | 25,060 | 25,000 | 24,000 | 24,000 |
| Merchant Permit Revenue | 3,969 | 3,240 | 2,241 | 3,200 | 2,800 | 2,800 |
| Resident 24 Hour Permit Revenue | 4,240 | 3,440 | 3,360 | 3,600 | 3,300 | 3,300 |
| Burmeister Parking Facility: | | | | | | |
| Transfer from General Fund | 480,764 | 141,510 | - | - | - | - |
| Permit Revenue | 25,370 | 24,775 | 23,925 | 24,800 | 23,900 | 23,900 |
| Total Revenues | 788,866 | 462,180 | 412,436 | 414,065 | 411,495 | 411,495 |

**Village of Wilmette
FY 2011 Budget**

Water & Sewer Funds' Revenues

| Description | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---|---------------------------|
| Sewer Fund: | | | | | | |
| Residential Sewer Charges | 3,429,424 | 3,468,259 | 3,556,017 | 4,005,000 | 3,820,000 | 4,313,000 |
| Bond Proceeds | 2,435,460 | - | 1,583,309 | - | 1,540,000 | - |
| Bond Proceeds Interest | 40,868 | 36,821 | 5,238 | - | - | - |
| E.P.A. Loan Proceeds | 611,839 | 42,316 | 10,298 | 900,000 | 900,000 | 900,000 |
| Water Fund Transfer | - | - | 100,000 | - | 200,000 | - |
| Insurance Recoveries | - | - | - | - | - | - |
| Other Income | 50 | 100 | 50 | - | - | - |
| Total Sewer Revenues | 6,517,641 | 3,547,496 | 5,254,912 | 4,905,000 | 6,460,000 | 5,213,000 |
| Water Fund: | | | | | | |
| Residential Water Sales | 2,169,009 | 2,608,407 | 2,795,003 | 3,152,000 | 3,002,000 | 3,217,000 |
| Wholesale Water Sales: | | | | | | |
| Village of Glenview | 2,943,062 | 2,755,781 | 3,046,795 | 3,087,000 | 3,012,000 | 3,192,700 |
| Illinois American Water | 911,311 | 835,971 | 915,046 | 928,000 | 903,000 | 957,200 |
| Insurance Recoveries | 14,621 | 6,391 | - | - | - | - |
| Other Income | 151,299 | 133,854 | 104,969 | 100,000 | 100,000 | 100,000 |
| Interest Income: | | | | | | |
| Surplus Account: | 124,520 | 46,217 | 11,878 | 25,000 | 11,000 | 15,000 |
| Bond Proceeds Account | 237,460 | 60,820 | 7,335 | 10,000 | 10,000 | 10,000 |
| Total Interest Income | 361,980 | 107,037 | 19,213 | 35,000 | 21,000 | 25,000 |
| Bond Proceeds | - | - | 5,869,840 | - | - | - |
| Grant revenue | - | - | 8,450 | - | - | 230,000 |
| Expense Reimbursements | 51,430 | - | - | - | - | - |
| Total Water Fund Revenues | 6,602,712 | 6,447,441 | 12,759,316 | 7,302,000 | 7,038,000 | 7,721,900 |
| Total Revenue - All Funds | 69,518,403 | 44,438,874 | 69,387,373 | 58,680,103 | 61,239,860 | 61,201,555 |
| Total Revenue Net of Internal Service Funds | 64,339,943 | 38,947,319 | 64,166,934 | 53,268,390 | 55,970,337 | 55,677,967 |

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**Village of Wilmette FY 2011 Budget
Tax Levy Projections**

| Levy Year | Projected Operating Levy | Debt Service Levy | Additional Levy for Fire & Police Pen. | Additional Levy for EAB * | Portion Paid from Bond Proceeds | Adjustment ** to Operating Levy to Smooth the Increment | Total Levy | "Smoothed" Incremental Growth (%) |
|-----------|--------------------------|-------------------|--|---------------------------|---------------------------------|---|------------|-----------------------------------|
| 1998 | 6,386,857 | 997,843 | | | | | 7,384,700 | |
| 1999 | 6,466,007 | 1,176,693 | | | | | 7,642,700 | 3.49% |
| 2000 | 6,627,658 | 1,386,515 | | | | (20,000) | 7,994,173 | 4.60% |
| 2001 | 6,956,488 | 1,515,128 | | | | (10,000) | 8,461,616 | 5.85% |
| 2002 | 7,234,176 | 2,473,868 | | | (600,000) | (140,000) | 8,968,044 | 5.98% |
| 2003 | 7,523,543 | 2,563,593 | | | (400,000) | (182,000) | 9,505,136 | 5.99% |
| 2004 | 8,071,000 | 2,583,226 | | | (200,000) | (147,500) | 10,306,726 | 8.43% |
| 2005 | 8,295,437 | 2,450,663 | | | | 179,500 | 10,925,600 | 6.00% |
| 2006 | 8,720,311 | 2,541,289 | | 220,000 | | 320,000 | 11,801,600 | 8.02% |
| 2007 | 9,252,187 | 3,883,613 | | 100,000 | (500,000) | (463,000) | 12,272,800 | 3.99% |
| 2008 | 9,372,183 | 3,241,817 | 172,000 | 200,000 | | 13,000 | 12,999,000 | 5.92% |
| 2009 | 9,403,999 | 3,069,001 | 490,000 | 100,000 | | 450,000 | 13,513,000 | 3.95% |
| 2010 | 9,842,229 | 2,991,871 | 1,082,000 | 100,000 | | | 14,016,100 | 3.72% |
| 2011 | 10,235,926 | 3,070,974 | 1,424,000 | 100,000 | | | 14,830,900 | 5.81% |
| 2012 | 10,645,426 | 3,326,374 | 1,676,000 | 100,000 | | | 15,747,800 | 6.18% |
| 2013 | 12,814,301 | 3,326,499 | | 100,000 | | | 16,240,800 | 3.13% |
| 2014 | 13,326,914 | 3,317,286 | | 100,000 | | | 16,744,200 | 3.10% |
| 2015 | 13,860,040 | 3,399,660 | | 100,000 | | | 17,359,700 | 3.68% |
| 2016 | 14,414,467 | 3,481,833 | | 100,000 | | | 17,996,300 | 3.67% |
| 2017 | 14,991,034 | 3,498,066 | | 100,000 | | | 18,589,100 | 3.29% |
| 2018 | 15,590,687 | 3,501,713 | | 100,000 | | | 19,192,400 | 3.25% |
| 2019 | 16,214,285 | 3,523,615 | | 100,000 | | | 19,837,900 | 3.36% |
| 2020 | 16,862,815 | 3,534,485 | | 100,000 | | | 20,497,300 | 3.32% |
| 2021 | 17,537,307 | 3,572,893 | | 100,000 | | | 21,210,200 | 3.48% |
| 2022 | 18,238,853 | 3,657,495 | | 146,752 | | | 22,043,100 | 3.93% |
| 2023 | 18,968,402 | 3,757,298 | | | | | 22,725,700 | 3.10% |
| 2024 | 19,727,192 | 3,196,008 | | | | | 22,923,200 | 0.87% |
| 2025 | 20,516,330 | 1,572,570 | | | | | 22,088,900 | -3.64% |
| 2026 | 21,337,000 | | | | | | 21,337,000 | -3.40% |

* These levies total the \$1,966,752 expense that is expected to be incurred over the period from 2007 through 2022 for the Emerald Ash Borer tree removals and re-forestation - net of State Grant.

** These adjustments, in total, net to zero. They are designed to eliminate large percentage fluctuations in the Village's tax levy due to the issuance of new debt.

**Village of Wilmette
2011 Budget**

| Program Number | Program | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|---|------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|
| 11-01 | Legislative | 62,000 | 35,673 | 29,925 | 29,470 | 27,170 | 30,065 |
| 11-04 | Administration | 609,514 | 660,244 | 505,654 | 555,585 | 551,250 | 565,870 |
| 11-05 | Information Services | 548,848 | 541,421 | 471,314 | 482,700 | 477,915 | 504,715 |
| 11-06 | Finance | 910,060 | 876,208 | 886,905 | 864,585 | 833,800 | 869,445 |
| 11-07 | Law | 371,084 | 394,336 | 416,413 | 287,060 | 380,610 | 279,430 |
| 11-09 | Community Development | 1,153,730 | 1,165,642 | 1,027,581 | 1,235,060 | 1,175,470 | 1,122,265 |
| 11-09 | Business Development | 309,720 | 213,268 | 93,825 | 79,270 | 79,200 | 81,110 |
| 11-10 | Misc. Boards & Comm. | 96,036 | 93,429 | 72,421 | 85,200 | 76,300 | 81,800 |
| 11-11 | Wilmette Historical Museum | 110,182 | 119,171 | 127,785 | 128,165 | 132,544 | 122,970 |
| 11-15 | Cable Programming Services | 121,223 | 149,688 | 120,935 | 142,075 | 134,695 | 151,355 |
| 11-19 | Contingency | 4,789 | 4,765 | 7,147 | 500,000 | 9,000 | 500,000 |
| Total General Government | | 4,297,186 | 4,253,846 | 3,759,905 | 4,389,170 | 3,877,954 | 4,309,025 |
| 11-20 | Engineering | 1,593,587 | 1,113,887 | 1,939,552 | 1,270,570 | 1,233,922 | 1,211,980 |
| 11-23 | Streets Department | 2,635,831 | 2,922,021 | 2,594,514 | 2,550,050 | 2,440,000 | 2,572,240 |
| 11-24 | Refuse Collection & Disposal | 2,057,923 | 2,119,086 | 2,083,029 | 2,307,305 | 2,209,950 | 2,315,070 |
| 11-30 | Maintenance of Trees | 1,775,793 | 981,858 | 756,507 | 682,090 | 682,650 | 677,075 |
| 11-33 | Street Lighting | 468,100 | 479,267 | 379,103 | 383,915 | 381,870 | 399,410 |
| 11-34 | Buildings & Grounds | 600,827 | 610,009 | 537,379 | 638,925 | 593,565 | 587,640 |
| Total Public Works | | 9,132,061 | 8,226,128 | 8,290,084 | 7,832,855 | 7,541,957 | 7,763,415 |
| 11-40 | Fire & Police Commission | 79,083 | 37,467 | 70,574 | 63,095 | 72,070 | 70,835 |
| 11-41 | Police - General Operations | 6,205,644 | 6,746,759 | 6,566,039 | 7,258,445 | 7,270,480 | 7,765,030 |
| 11-42 | Police - General Services | 869,639 | 906,071 | 846,116 | 615,160 | 576,292 | 606,570 |
| 11-43 | Pub. Safety - Communication | 1,129,809 | 1,185,809 | 1,196,216 | 1,174,250 | 1,296,104 | 1,277,155 |
| 11-45 | Police - Crossing Guards | 176,706 | 183,123 | 208,065 | 210,910 | 222,910 | 228,690 |
| 11-51 | Fire Department | 6,245,441 | 7,117,203 | 7,278,233 | 7,506,410 | 7,549,235 | 7,879,965 |
| 11-56 | Public Health | 177,824 | 170,243 | 187,046 | 205,395 | 212,125 | 219,085 |
| Total Safety & Public Health | | 14,884,146 | 16,346,675 | 16,352,289 | 17,033,665 | 17,199,216 | 18,047,330 |
| 11-90 | Employee Insurance | 84,793 | 48,257 | 23,609 | - | - | - |
| 11-91 | Gen. Liab. & Property Insur. | 239,532 | 279,198 | 239,247 | 256,000 | 240,750 | 235,000 |
| 11-95 | Capital Improvements | 4,547,053 | 5,646,502 | 4,775,224 | 237,500 | 368,200 | 2,385,000 |
| Totals | | 33,184,771 | 34,800,606 | 33,440,358 | 29,749,190 | 29,228,077 | 32,739,770 |

Allocation to Cash Flow Section:

| | | | | | | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | 29,118,482 | 29,295,614 | 28,659,470 | 29,511,690 | 28,859,877 | 30,354,770 |
| Capital Projects Fund | 4,066,289 | 5,504,992 | 4,780,888 | 237,500 | 368,200 | 2,385,000 |

**Village of Wilmette
2011 Budget**

| Program Number | Description | Actual FY 2006 | Actual FY 2007 | Actual FY 2009 | Budget FY 2010 | Estimated Actual FY 2010 | Budget FY 2011 |
|---|---------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|
| 16-93 | General Debt Service Fund | 2,530,233 | 3,367,920 | 3,156,907 | 3,055,160 | 3,054,660 | 3,045,000 |
| 22-63 | Motor Fuel Tax Fund | 1,083,157 | 800,000 | 772,011 | 750,000 | 778,850 | 750,000 |
| 23-75 | Public Parking - Village Center | 188,536 | 204,670 | 186,597 | 206,605 | 201,120 | 214,815 |
| 23-76 | Public Parking - CTA Lots | 97,230 | 104,748 | 132,754 | 147,440 | 135,255 | 142,375 |
| 23-77 | Parking - Burnmeister Lot | 152,644 | 154,240 | 150,131 | 148,600 | 149,025 | 85,195 |
| Total Parking Meter Fund | | 438,410 | 463,658 | 469,482 | 502,645 | 485,400 | 442,385 |
| 33-00 | Firefighters' Pension Fund | 2,001,408 | 1,995,635 | 2,044,810 | 2,254,600 | 2,287,458 | 2,555,600 |
| 34-00 | Police Pension Fund | 1,513,458 | 1,763,959 | 1,880,227 | 2,058,600 | 1,979,067 | 2,262,600 |
| 36-00 | Clampitt Estate Fund | 9,000 | 9,000 | 9,000 | 104,900 | 19,000 | 84,000 |
| 39-00 | Section 105 Fund | 17,790 | 31,178 | 32,354 | 65,000 | 80,000 | 98,000 |
| 40-80 | Sewer Maintenance | 958,583 | 958,351 | 1,093,827 | 1,078,375 | 1,076,685 | 1,186,770 |
| 40-84 | Storm Water Pump Station | 52,949 | 72,172 | 39,165 | 47,160 | 34,660 | 47,050 |
| 40-95 | Sewer Improvements | 1,311,351 | 921,336 | 1,683,535 | 1,325,000 | 1,390,224 | 2,425,300 |
| 40-93 | Sewer Debt Service | 2,560,752 | 2,662,826 | 2,688,310 | 2,897,630 | 2,897,878 | 2,965,300 |
| Total Sewer Fund | | 4,883,635 | 4,614,685 | 5,504,837 | 5,348,165 | 5,399,447 | 6,624,420 |
| 41-81 | Pumping | 2,231,602 | 2,667,044 | 2,433,461 | 2,597,125 | 2,374,883 | 2,669,810 |
| 41-82 | Reservoir & Meter Maint. | 343,398 | 404,414 | 325,862 | 375,680 | 329,103 | 301,100 |
| 41-83 | Distribution | 1,045,456 | 879,389 | 1,038,092 | 1,028,830 | 1,016,765 | 1,075,115 |
| 41-84 | Miscellaneous | 1,087,027 | 1,364,019 | 1,540,117 | 1,492,590 | 1,678,210 | 1,543,690 |
| 41-85 | General | 170,417 | 168,070 | 162,514 | 155,475 | 147,607 | 152,190 |
| 41-93 | Debt Service | 1,436,048 | 1,559,845 | 7,408,276 | 1,362,790 | 1,366,500 | 1,388,100 |
| 41-95 | Capital Improvements | 810,454 | 2,330,406 | 391,710 | 340,000 | 319,000 | 1,750,000 |
| Total Water Fund | | 7,124,402 | 9,373,187 | 13,300,032 | 7,352,490 | 7,232,068 | 8,880,005 |
| Total Expenditures before Internal Service Funds | | 52,786,264 | 57,219,828 | 60,610,018 | 51,240,750 | 50,544,027 | 57,481,780 |
| Internal Service Funds: | | | | | | | |
| 11-27 | Municipal Garage Fund | 1,074,356 | 1,133,245 | 1,093,778 | 1,152,160 | 1,130,980 | 1,149,740 |
| 12-90 | Employee Insurance Fund | 2,391,355 | 2,583,391 | 2,367,452 | 2,433,043 | 2,334,243 | 2,425,088 |
| 19-92 | Workers' Compensation Fund | 269,751 | 313,434 | 305,101 | 300,000 | 300,000 | 320,700 |
| 35-00 | IMRF | 1,442,998 | 1,461,485 | 1,454,036 | 1,526,510 | 1,504,300 | 1,628,060 |
| Total Expenditures | | 57,964,724 | 62,711,383 | 65,830,385 | 56,652,463 | 55,813,550 | 63,005,368 |

Village of Wilmette

FY 2011 Budget

Summary of Major Revenues & Expenditures

| <u>Major Revenue Category</u> | <u>Actual FY 2007</u> | <u>Actual FY 2008</u> | <u>Actual FY 2009</u> | <u>Budget FY 2010</u> | <u>Estimated Actual FY 2010</u> | <u>Budget FY 2011</u> |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---|---------------------------|
| Water & Sewer charges | 9,452,806 | 9,668,418 | 10,312,861 | 11,172,000 | 10,737,000 | 11,679,900 |
| Property tax collections | 11,580,802 | 12,032,926 | 12,715,434 | 13,545,700 | 13,377,200 | 14,080,900 |
| Sales tax (State & Home Rule) | 4,117,009 | 4,226,355 | 3,757,805 | 3,810,000 | 3,700,000 | 3,755,500 |
| Pension Fund investment income | 4,837,404 | (7,324,329) | 6,864,039 | 3,700,000 | 3,700,000 | 3,895,000 |
| Utility tax | 2,661,210 | 2,790,186 | 2,666,294 | 2,615,000 | 2,675,000 | 2,675,000 |
| Income Tax | 2,447,409 | 2,617,554 | 2,247,445 | 2,280,000 | 2,070,000 | 2,101,050 |
| Permit Revenue | 1,875,807 | 1,521,948 | 1,077,503 | 1,160,000 | 1,190,000 | 1,237,600 |
| Debt Proceeds | 12,937,056 | 42,316 | 9,061,764 | 900,000 | 3,955,000 | 900,000 |
| Total Major Revenues | 49,909,503 | 25,575,374 | 48,703,145 | 39,182,700 | 41,404,200 | 40,324,950 |
| Total All Funds Revenues | 64,339,943 | 38,947,319 | 64,179,461 | 53,268,390 | 55,970,337 | 55,677,967 |
| Percentage of Major Revenues to Total Revenues | 77.6% | 65.7% | 75.9% | 73.6% | 74.0% | 72.4% |

| <u>Expenditure Category</u> | <u>Actual FY 2007</u> | <u>Actual FY 2008</u> | <u>Actual FY 2009</u> | <u>Budget FY 2010</u> | <u>Estimated Actual FY 2010</u> | <u>Budget FY 2011</u> |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---|---------------------------|
| Personnel | 22,303,488 | 23,986,099 | 23,640,537 | 24,745,570 | 24,654,056 | 25,812,570 |
| Refuse Expense | 2,057,923 | 2,119,086 | 2,083,029 | 2,307,305 | 2,209,950 | 2,305,070 |
| Capital Outlay | 9,282,705 | 11,690,470 | 10,030,575 | 3,932,400 | 4,092,622 | 8,412,750 |
| Debt Service | 6,804,943 | 8,229,103 | 13,391,164 | 7,446,755 | 7,450,713 | 7,465,520 |
| Pension Disbursements | 3,549,684 | 3,759,594 | 3,925,037 | 4,313,200 | 4,266,525 | 4,818,200 |
| Total Major Expenditures | 43,998,743 | 49,784,352 | 53,070,342 | 42,745,230 | 42,673,866 | 48,814,110 |
| Total All Funds Expenditures | 52,786,264 | 57,219,828 | 60,610,018 | 51,240,750 | 50,544,027 | 57,481,780 |
| Percentage of Major Expenditures to Total Expenditures | 83.4% | 87.0% | 87.6% | 83.4% | 84.4% | 84.9% |

**Village of Wilmette
FY 2011 Budget**

Summary of Capital Outlay Expenditures and Other Non-Operating Expenditures

General Fund Capital Outlay Summary:

| | <u>2011 Budget Amount</u> |
|---|---------------------------|
| Facilities Improvements: | |
| Village Yard Improvements | 55,000 * |
| Other Facility Improvements | - |
| Streets, Sidewalks & Alleys: | |
| Sidewalk & Curb Replacements | 120,000 * |
| Street & Alley Improvements | 989,500 * |
| Street Resurfacing Improvements | 836,000 * |
| Street Lighting Improvements | 12,000 ** |
| Traffic Calming and Bicycle Paths | - |
| Vehicles: | |
| Public Works Vehicle Replacements & Rehabilitations | 540,000 |
| Police Vehicle Replacements & Rehabilitations | 100,650 |
| Fire Vehicle Replacements & Rehabilitations | - |
| Equipment: | |
| Computer Equipment Replacements & Upgrades | 10,000 |
| Village Wide Telephone System Replacement | 93,000 * |
| Cable System Improvements | 310,000 * |
| Police - Other Equipment | 3,500 |
| Total General Fund Capital Expenditures | 3,069,650 |

General Fund Other Non-Recurring Expenditures:

| <u>Department & Expenditure Description</u> | |
|---|----------------|
| Admin. - Community Notification System | 4,200 |
| Comm. Devel. - Master Development Plan | 20,000 ** |
| Comm. Devel. - Comprehensive Review of the Zoning Ordinance | 40,000 |
| Business Development | 20,875 |
| EAB Tree Removals and Parkway Restoration | 100,000 |
| Fire & Police Commission professional services | 24,500 |
| Police Grant Overtime | 21,100 ** |
| Police Grant expenditures | 12,000 ** |
| Other General Fund Non-Recurring Expenses | 242,675 |

- * Items will be financed from general obligation bond proceeds.
 ** Items will be partially financed from grants.

**Village of Wilmette
FY 2011 Budget**

Summary of Capital Outlay Expenditures and Other Non-Operating Expenditures

Sewer Fund Capital Outlay and

Non-Recurring Expense Summary:

2011 Budget Amount

| | | |
|---|------------------|---|
| Sewer System Improvements | 2,635,300 | * |
| Storm Water Pump Station Improvements | - | |
| Sewer Equipment | - | |
| Vehicles: | | |
| Public Works Vehicle Replacements & Rehabilitations | 22,500 | |
| Total Sewer Fund Capital Expenditures | 2,657,800 | |

Sewer Fund Other Non-Recurring Expenditures:

| | |
|---------------------|--------|
| Flow Monitoring | 40,000 |
| N.P.D.E.S. Phase II | 6,000 |

| | |
|--|--------------|
| Other Sewer Fund Non-Recurring Expenses | 6,000 |
|--|--------------|

Water Fund Capital Outlay and

Non-Recurring Expense Summary:

| | | |
|---|------------------|----|
| Water Distribution Improvements: | | |
| Valve Installations | 61,800 | |
| Water Plant Improvements: | | |
| Tuckpointing & Outside Improvements | 180,000 | ** |
| Heating System Improvements | 30,000 | |
| High Lift Motor Improvements | 80,000 | |
| Standpipe Improvements: | | |
| Standpipe Reconditioning | 1,150,000 | * |
| New and replacement equipment: | | |
| Public Works Vehicle Replacements & Rehabilitations | 22,500 | |
| SCADA Software Upgrade | 600,000 | * |
| Other Equipment | - | |
| Total Water Fund Capital Expenditures | 2,124,300 | |

Water Fund Other Non-Recurring Expenditures:

| | |
|------------------------------|--------|
| Automatic Meter Reading | 52,000 |
| Unidirectional Main flushing | 36,750 |

| | |
|--|---------------|
| Other Water Fund Non-Recurring Expenses | 88,750 |
|--|---------------|

* These improvements are partially debt financed from G.O. Bonds and EPA Loans.

** Items will be partially financed from grants.