

Village of Lake Zurich, Illinois 2011 – 2012 Fiscal Year Adopted Budget



Bob Vitas
Village Administrator

Al Zochowski
Finance Director

Depicted on the cover is a view of the lake of Lake Zurich, Paulus Park and the main route through Lake Zurich, Route 12, also known as Rand Road. Throughout this document are scattered pictures of the Village.

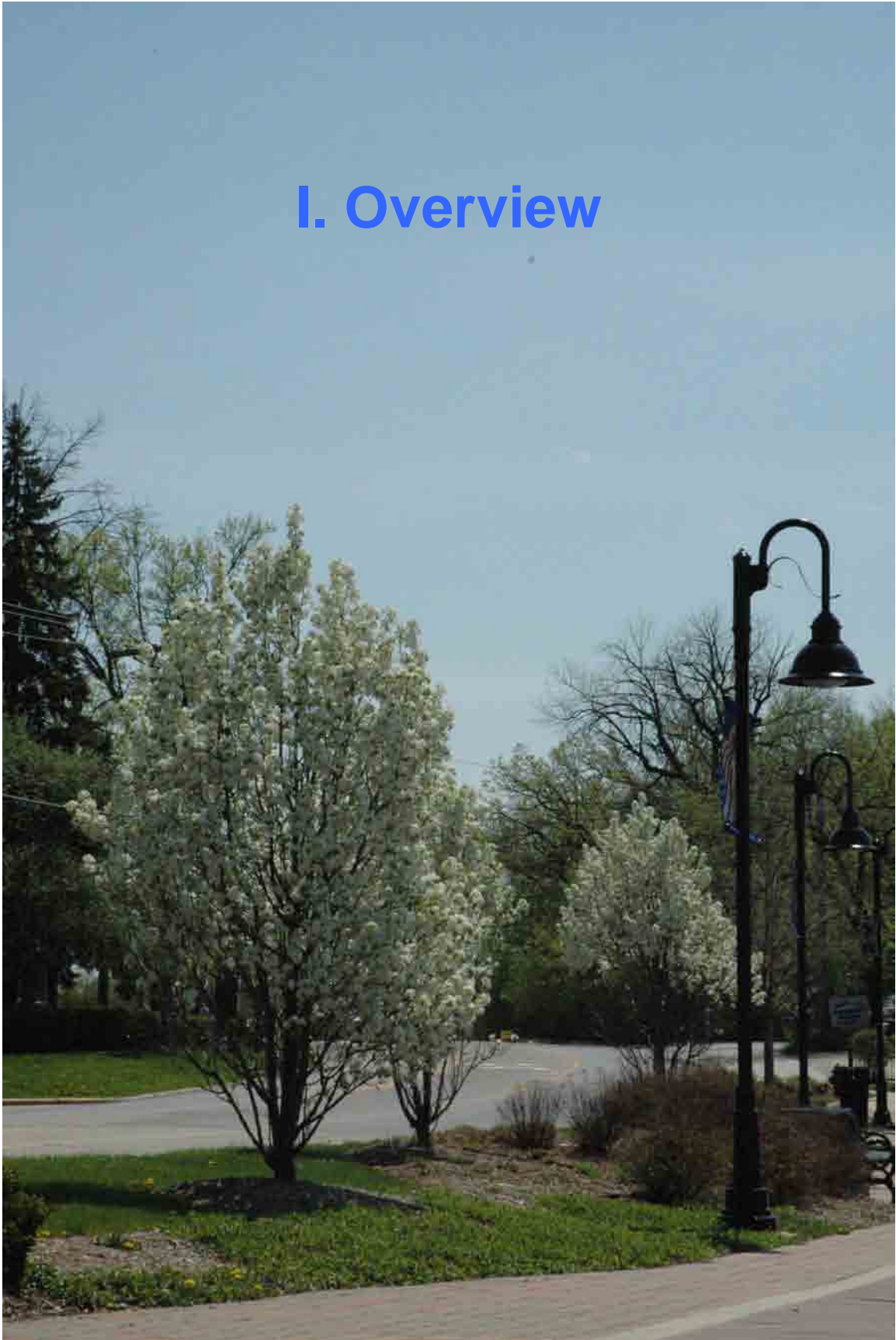
Village of Lake Zurich

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I. Overview





VILLAGE OF LAKE ZURICH OFFICIALS

VILLAGE PRESIDENT

Suzanne K. Branding

TRUSTEES

Thomas M. Poynton	Mark Ernst
Jeffrey M. Halen	Richard C. Sustich
Dana Rzezniak	Jonathan W. Sprawka

VILLAGE CLERK

Kathleen Johnson

ADMINISTRATION

Bogdan Vitas, Jr.	Village Administrator
Gerald A. Zochowski	Finance Director
Patrick M. Finlon	Police Chief
Terrence P. Mastandrea	Fire/Rescue Chief
David Heyden	Public Works Director
Daniel A. Peterson	Building and Zoning Director
Michael J. Perkins	Park and Recreation Director

Budget Adopted by

Suzanne K. Branding, President

Trustees

Thomas M. Poynton	James L. Johnson
Jeffrey M. Halen	Richard C. Sustich
Dana Rzezniak	Jonathan W. Sprawka



Village of Lake Zurich Annual Budget Fiscal Year 2012

How To Use This Document

This budget is divided into five sections: Overview, Fund Information, Department Information, Capital Spending and Debt Management, and Appendix. Throughout the document, the Village of Lake Zurich is referenced as the "Village".

The **Overview** contains the Village Administrator's budget message, which discusses the process the Village went through in order to adopt a balanced budget. Other information provided in the Overview Section includes a Village-wide organization chart, a description of the Village 2011-2013 strategic plan, a flowchart depicting the budget process for the operating budgets and a Budget Calendar. Financial policies are included in this section as well as a brief overview of the Village's revenues and funds as well as a brief discussion of the fund structure of the Village. Finally, general information about the Village of Lake Zurich is provided.

The **Fund Information** section is focused on the different funds the Village utilizes. Fund summaries show the activity in each fund to include, beginning balance, revenues and other sources, expenditures/expenses and other uses, and ending balance. This information is presented as actual information for the prior year, budgeted and projected information for the current year, and the adopted information for the coming fiscal year.

Department Information provides each department's budget message. The messages include a description of the department, the workplan for the upcoming year, a list of approved positions, and a description of major changes in expenditures.

The **Capital Spending and Debt Management** section covers the Capital Improvement Program budget and a discussion on how the Village uses various financing tools to fund these projects. It explains the CIP Process, provides information on different funding sources, lists the capital improvement projects, and summarizes the Village's outstanding debt.

The **Appendix** contains the position control for the Village, listing all approved full-time positions for Fiscal Year 2012 and the previous two years. Next are signed copies of the Village Fiscal Year 2012 Budget Ordinance (Number 2011-04-774) and the 2010 Tax Levy Ordinance and Worksheet (Number 2010-12-741). Finally a glossary is provided.



Village of Lake Zurich

Budget Message

To the Honorable President, Board of Trustees, and Residents of the Village of Lake Zurich:

We are pleased to submit to you the adopted budget for the Village of Lake Zurich for the fiscal year beginning May 1, 2011 and ending on April 30, 2012.

Strategic Plan / Vision

In 2010, the Village Board approved the Village of Lake Zurich 2011-2013 Strategic Plan. Included in that document are a Mission Statement, Community Vision, Guiding Principles of the Organization and four Strategic Goals. The Fiscal Year 2012 Budget is based upon the direction from the Village Board set forth in the 2011-2013 Strategic Plan.

Mission Statement

The mission of the Village of Lake Zurich is to strive to provide our residents and businesses exceptional quality municipal services. We will achieve this through strategic planning, fiscal responsibility, and transparent, accessible, and responsive municipal leadership and staff. This will result in continually improving quality-of-life and a return on investment for all stakeholders in the community.

Community Vision

- Vibrant Downtown
- Sense of Community
- Leadership by Example
- Diversity and Vitality
- Service Delivery

Guiding Principles of Our Organization

- Trust & Integrity
- Teamwork
- High-performance, Quality Services
- Caring & Respectful Leadership
- Transparency & Accountability
- Dedicated Professionals

Strategic Goals

1. *Ensure the Long-Term Sustainability of the Village*
2. *Provide Community-Focused Municipal Services*
3. *Facilitate Informed Decision-making*
4. *Adhere to Ethical Behavior in all Governmental Operations*

In this adopted budget you will find detail that accounts for all projected revenues and expenditures of the Village during Fiscal Year 2012. This document also includes the strategic initiatives of each department that will lead to the accomplishments of the Goals and Objectives set forth in the 2011-2013 Village of Lake Zurich Strategic Plan.

The ideal budget process in the Village of Lake Zurich is characterized by a multi-step plan. First, the Village Board sets their goals and objectives in the Strategic Plan. The Administration and staff then create a Strategic Management Plan containing the strategies to meet the goals and objectives. Next, a budget is put into place based on the costs of these strategies. If there are not sufficient resources to meet all goals and objectives, the highest priority goals and objectives are funded. Based on the budget, staff creates and implements an Operational Plan which eventually meets the Village goals and objectives.

For Fiscal Year 2012, the Village began preparations for development of the management plan and as such, the process that created this budget is slightly different than the model described above. The costs associated with accomplishing goals and objectives will be developed during FY 2012 using the adopted budget as a template for FY 2013. In any event, the FY 2012 budget still represents significant progress toward the ideal budget system that will be built upon in each of the upcoming budget years.

The staff and administration of the Village of Lake Zurich takes great pride in providing a high level of service to its residents, and the 2012 fiscal year budget reflects this ongoing commitment. The fiscal year 2012 budget was built with several major objectives in mind. The objectives include:

- A balanced budget where anticipated revenues are equal to or greater than anticipated expenditures,
- Holding the line on all new or increased taxes,
- Meeting all legal and contractual obligations of the Village such as funding the Public Safety Pensions in accordance with applicable State statutes and abiding by the conditions in all bargaining unit contracts,
- To the fullest extent possible maintain the service levels for our community,
- Provide fair and equitable wages for all Village employees based upon the comparable marketplace,
- Providing for capital construction and improvements that would maintain the Village's net asset base,
- Transparency in tracking the Non-Home Rule Sales Tax (NHRST) revenues,
- Transparency in budgeting the Tax Increment Finance (TIF) revenues.

Budgetary Challenges

Like all other local governments, the Village of Lake Zurich has been strongly affected by the recent economic downturn. In the past most revenues consistently increased, many revenues are currently stagnant while others have decreased. However, expenses are still rising. Prices for commodities and other items are steadily rising. At the same time, Village costs for employee health care and public safety pensions are rising at very high rates.

The Village is directly impacted by the financial condition of the State of Illinois. Due to the state's budget shortfall, shared revenue payments to the Village are no longer occurring on time. We are also closely monitoring the political environment in Springfield. We are concerned that leaders in the state government may consider removing money from the Local Government

Distribution Fund in order to meet their obligations. Such a decision would further decrease the resources available to the Village and in turn the level of services we can provide our residents.

Budget Summary

The adopted Fiscal Year 2012 Budget includes \$44,004,621 in estimated revenues, \$44,999,520 in estimated expenditures and a projected decrease of \$994,899 in overall fund balance.

Fund	Revenues	Expenditures	Change in Fund Balance
General Fund	\$ 23,709,660	\$ 24,209,114	\$ (499,454)
Motor Fuel Tax	539,000	539,000	-
Hotel/Motel Tax	65,000	48,100	16,900
NHRST	1,700,000	1,700,000	-
TIF Tax Allocation	2,924,501	2,009,536	914,965
Debt Service	1,004,412	997,512	6,900
TIF Debt Service	1,016,322	1,016,322	-
Capital Projects	2,190,414	3,583,414	(1,393,000)
Park Improvement	2,500	183,000	(180,500)
TIF Redevelopment	463,500	463,500	-
Water/Sewer	5,472,316	5,356,340	115,976
Medical Self Insurance	2,816,576	2,816,576	-
Vehicle Maintenance	1,090,420	1,090,420	-
Risk Management	1,010,000	986,686	23,314
TOTAL	\$ 44,004,621	\$ 44,999,520	\$ (994,899)

The Village was able to maintain service and staffing levels from FY 2011 to FY 2012. Overall, the FY 2012 budget includes a decrease of just 0.25 FTEs. At the start of FY 2011, the Village determined that a reduction in force was necessary in order to ensure a balanced budget and to continue providing a high level of services to residents. The following table reflects the changes in FTE's between FY 2010 and FY 2012:

FTEs	FY2010	FY2011	FY2012
Administration	4.00	3.75	5.00
Finance	7.00	7.50	7.00
Police	55.00	53.00	53.00
Fire	61.00	59.50	60.00
Public Works	38.00	35.50	36.00
Building/Zoning	9.00	8.00	8.00
Parks/Rec	5.00	5.00	3.00
TOTAL	179.00	172.25	172.00

Budget Highlights

There have been several changes during Fiscal Year 2011 that need to be mentioned in order to fully understand the Fiscal Year 2012 budget. These changes include the adoption of a Municipal Utility Tax, moving the revenue from the Telecommunication Tax back into the General Fund from the Capital Projects Fund to support ongoing general government operations, the voter approval of a Non-Home Rule Sales Tax that provides for infrastructure maintenance and improvements, the use of the Hotel Tax to fund Special Events such as the Village's 4th of July Celebration, the development of a detailed TIF budget for maintenance and

improvements of Village owned properties within the TIF district, the incorporation of projects brought forward with the draft Five Year Capital Improvement Plan document, and the inclusion of the recommendation of the water and sewer rate study rates beginning on May 1, 2011.

- **Municipal Utility Tax** – This tax, although adopted during the prior year's budget process, is used to fund general government operations and is projected to generate in excess of \$760,000 during the coming year. This tax is scheduled to sunset at the end of the 2012 Fiscal Year.
- **Telecommunication Tax** – During the fiscal year 2011 budget process this revenue was moved out of the General Fund to the Capital Projects Fund as it was determined that the largest portion of this tax was meant to fund capital roadway improvements throughout the Village. However, while the intent was to be used for capital improvements the general government operations of the Village became dependent upon this revenue to provide Village services. Now that there is a dedicated revenue stream, the Non-Home Rule Sales Tax, that will always be used to fund infrastructure operations and improvements this year's budget again reflects the fact that this revenue source is unrestricted and can be used for any general government purpose.
- **Non-Home Rule Sales Tax (NHRST)** – This tax was approved by voters by referendum in the November 2010 election. Based on the wording of the referendum, NHRST revenues are restricted to expenses for maintenance, repair, replacement, or reconstruction of Village infrastructure. With that in mind the Village has established a Special Revenue Fund called the Non-Home Rule Sales Tax Fund to record all of the proceeds of the revenue collected from this special municipal tax as well as account for all of the uses of those proceeds. Some Public Works Department programs that qualify for the use of these funds have been moved from the General Fund to the NHRST Fund. In some cases transfers to other governmental funds in the exact amount of any expenditure made for public infrastructure in other funds, such as the Capital Projects Fund or Debt Service Fund, are made to that fund.
- **Hotel/Motel Tax Fund** – This year's budget uses the proceeds of the Hotel/Motel Tax Fund for the first time since its inception. This special revenue was approved in the enabling ordinance to be used for the cost of promoting the Village so that people from outside of our community would come to Lake Zurich to do such things as shop at the stores and support the retail community of Lake Zurich. We feel that the 4th of July celebration accomplishes the goals of this tax and that the use of this funding is appropriate.
- **TIF Budgets** – The TIF Budgets consist of three separate funds; one special revenue fund type called the Special Tax Allocation Fund, one debt service fund type called the TIF Debt Service Fund and one capital projects fund type called the TIF Capital Projects Fund. Within the Special Tax Allocation Fund there are three programs; one program is for the overall administration of the Fund, the Administration Program, one for rental of Village owned properties within the TIF, the TIF Rental Operations Program, and one for maintenance activities within the TIF, the TIF Maintenance Operations Program which consists of cost of the Public Works Department for Parks Maintenance, Municipal Property Maintenance and Street Light Maintenance.

The TIF Capital Projects Fund contains a variety of improvements to Village property in the downtown TIF district. The approved budget includes significant funds for roofing, electric, interior/exterior renovations and demolition for various properties. The total budgeted cost for these improvements is \$463,500.

- **Capital Projects Fund** – The adopted budget differs from the department requests in this fund. A review of the Department Requests shows that the total amount of improvements needed in the next fiscal year total to \$4,164,445 and the adopted budget call for \$3,583,414. The items that make up the difference are; \$171,300 requested for facility improvements at Village Hall and at the Public Works facility at 505 Telser, \$345,000 for Information Technology infrastructure improvements, and \$64,731 for roadway improvements. The reason for this difference is that by leaving in these items in the Adopted Budget we could not meet the goal of having revenues be greater than expenditures.
- **Water and Sewer Fund** – The budget recommendation included an increase in the water and sewer rates based on a Water and Sewer Rate Study conducted in Summer 2010. The recommended budget also contained a \$500,000 payment from the Water and Sewer Fund to the General Fund as a Payment in Lieu of Taxes (PILOT) for providing services to the general fund. After considerable discussion, the Village Board chose to eliminate this transaction and temporarily use fund balance to cover the \$500,000 in expenditures in the general fund. During the first quarter of the Fiscal Year, the Village will commission an operational audit and cost allocation study of the Utilities Division in the Public Works Department. These studies are designed to provide an accurate estimate of the level of resources used by the Village dedicated to Utility provision. Once the studies are complete, it is the intent of the Village to 1) Adjust Water and Sewer Rates based on the studies and the Summer 2010 Rate Study, 2) Provide for a PILOT in from the Water and Sewer Fund to the General Fund in an amount that recovers the cost of services performed on Utilities.
- **Other items considered** – There was considerable discussion on adding another ambulance into service. It was eventually determined that the additional cost of restoring the ambulance into service would not be possible while still meeting the goal of having revenues be greater than expenditures.
- **Accounting Changes** – Another item that is important for the reader to know when viewing this document is a series of internal accounting changes made by the Village for the 2012 fiscal year. The first change relates to the apportionment of property tax revenues. In previous years, property tax revenue was recorded as a revenue in each department based on approximately how much of the tax revenue was budgeted for expense in that department. In this budget and in future years, property tax revenue will be instead be considered a general revenue and not attributed to any department. Several redundant accounts were removed, additional accounts were added and expenses were moved between accounts. As a result, some expenditures and revenues that were classified as a certain type in the past are now classified more accurately in a different type. While both of these initiatives may add some confusion for the reader of this year's budget, we believe the changes will allow the Village to more accurately report financial information in the future.

- **Changes in Fund Balance** – The fund balance for the following funds are anticipated to increase or decrease by more than 10%:
 - General Fund (12.4% decrease): As discussed, the \$500,000 transfer from the Water and Sewer Fund was removed from the recommended budget. It is the intent of the Village to provide for a PILOT in from the Water and Sewer Fund to the General Fund in an amount that recovers the cost of services performed on Utilities during FY 2012.
 - Hotel/Motel Tax Fund (13.7% increase): While FY 2012 is the first budget that plans for expenses in this fund; projected revenues are still greater than projected expenditures. This fund balance will be carried forward for future economic development activities.
 - TIF Tax Allocation Fund (Indeterminate increase): The fund balance for this fund is projected to change from negative to positive during FY 2012. This is largely due to decrease in the amount of funds transferred out and an increase in the amount of intergovernmental revenue.
 - Capital Projects Fund (47.7% decrease): The Village chose to make a larger investment in its assets in Fiscal Year 2012. See the Capital Projects section on page 93 for more information.
 - Park Improvement Fund (21.9% decrease): Similarly, the Village is using the Park Improvement Fund to invest in its assets. Revenue for this fund frequently comes from grants and donations which are volatile sources of revenue.

Concluding Remarks

We would like to thank the Department Directors and their team members who exhibited impressive leadership along with great effort in developing a fiscally sound budget. We would also like to thank the members of the Village workforce for accepting the much-needed wages concessions and their increased participation in funding health care costs. Because of their concessions, the Village will continue to provide a high level of service to our citizens. We would also like to especially recognize the involvement of those citizens who participated in the process by attending meetings and providing input to the budget process which helped develop a meaningful Village budget. A special thank you goes out to Dan Laurila, Finance Intern, who without his help this document would not have been ready in time to submit to the GFOA review committee for consideration of the Distinguished Budget Presentation Award. Finally we would like to thank the President and Trustees for their sincere dedication, support and leadership. The Board's dedication to improve the Village's fiscal infrastructure and work toward ensuring that the Village is a renewing, prospering community is very much appreciated. The Administration is committed to providing the residents and businesses with an accountable and transparent local government and we believe that this budget helps meets that goal.

Sincerely,

Bob Vitas
Village Administrator

Al Zochowski
Finance Director/Village Treasurer

Village of Lake Zurich

Budget Summary by Fund Group by Revenue/Expenditure Type
Village-Wide All Funds
Fiscal Year 2011 - 2012

	Government Fund Types				Proprietary Fund Types		Total All Funds
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	
Balance, May 1st (Estimated)	\$ 4,025,245	347,506	884,874	15,866,707	1,568,711	(167,504)	\$ 22,525,539
Sources:							
Revenues:							
Taxes	7,150,962	3,827,025	996,912	450,000	-	-	12,424,899
Licenses	1,011,000	-	-	-	-	-	1,011,000
Permits	393,650	-	-	-	-	-	393,650
Fines/Forfeitures	911,288	-	-	-	-	-	911,288
Charges for Services	6,038,160	-	-	-	4,998,316	4,743,522	15,779,998
Intergovernmental	7,874,250	1,270,000	-	1,241,508	471,000	111,700	10,968,458
Investment Income	2,000	1,900	17,500	6,000	3,000	-	30,400
Misc	328,350	129,576	-	-	-	-	457,926
Total Operating Revenues	23,709,660	5,228,501	1,014,412	1,697,508	5,472,316	4,855,222	41,977,619
Proceeds from Borrowings	-	-	463,032	-	-	-	463,032
Transfers	-	-	543,290	958,906	-	61,774	1,563,970
Total Sources	23,709,660	5,228,501	2,020,734	2,656,414	5,472,316	4,916,996	44,004,621
Uses:							
Expenditures:							
Personnel	18,484,978	883,568	-	-	1,711,027	428,805	21,508,378
Contractual	4,338,539	1,536,580	3,800	-	1,328,000	3,761,003	10,967,922
Commodities	485,674	216,788	-	-	341,018	588,500	1,631,980
Total O&M Expenditures	23,309,191	2,636,936	3,800	-	3,380,045	4,778,308	34,108,280
Capital Outlay	649,923	157,504	-	4,229,914	964,400	53,600	6,055,341
Debt Service	-	-	2,010,034	-	1,011,895	-	3,021,929
Contingency	250,000	-	-	-	-	-	250,000
Total Expenditures	24,209,114	2,794,440	2,013,834	4,229,914	5,356,340	4,831,908	43,435,550
Transfers	-	1,502,196	-	-	-	61,774	1,563,970
Total Uses	24,209,114	4,296,636	2,013,834	4,229,914	5,356,340	4,893,682	44,999,520
Balance, April 30th	\$ 3,525,791	\$ 1,279,371	\$ 891,774	\$ 14,293,207	\$ 1,684,687	\$ (144,190)	\$ 21,530,640

General Fund - Fund Balance

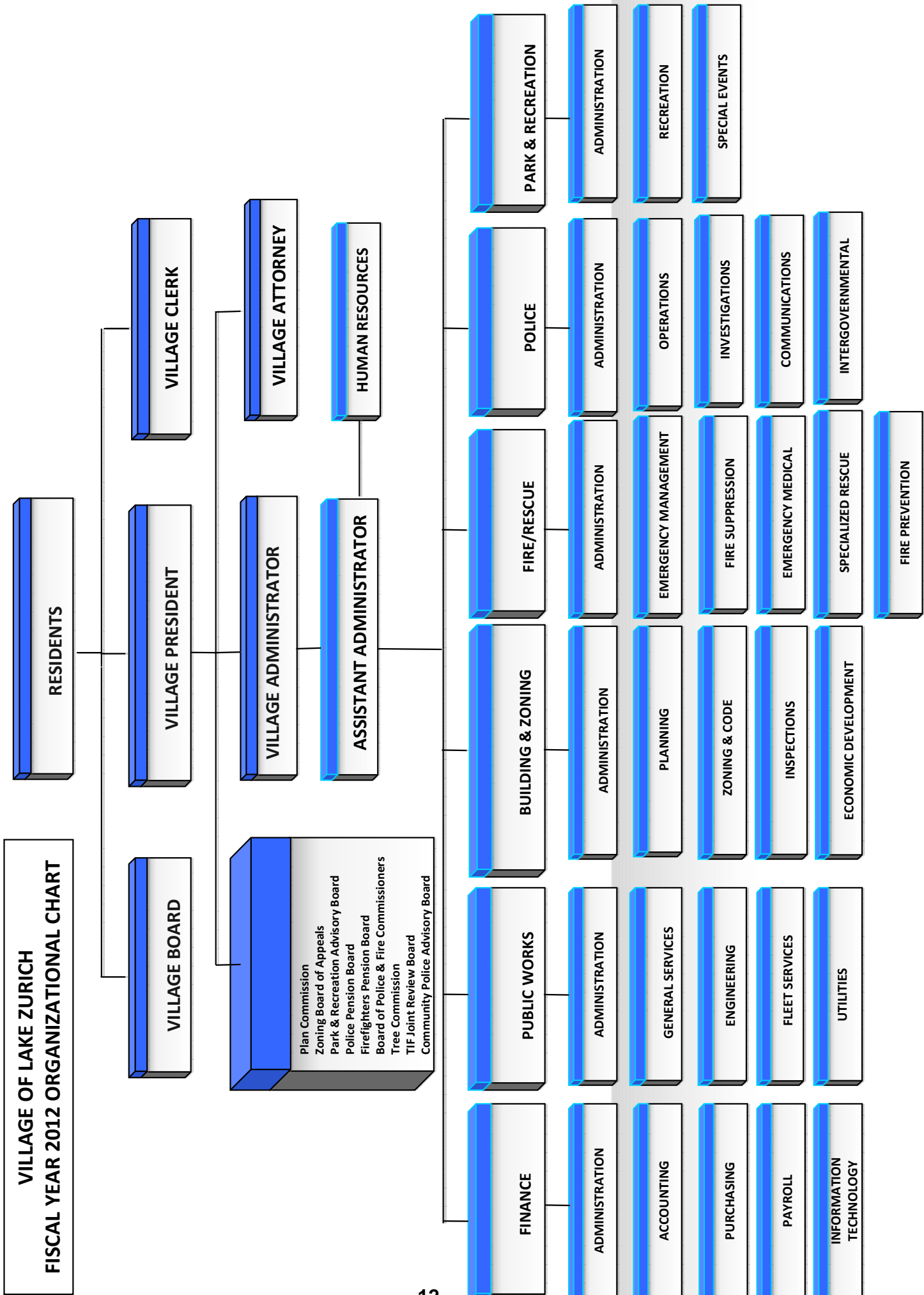
14.56%

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

All Funds by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	20,352,601	21,208,069	22,128,256	22,525,539
Revenues:				
Taxes	9,380,473	11,150,779	10,925,441	12,424,899
Licenses	1,454,507	380,000	356,000	1,011,000
Permits	463,862	366,515	615,175	393,650
Fines and Forfeitures	789,854	977,350	854,500	911,288
Charges for Services	13,396,728	15,442,389	14,624,337	15,779,998
Intergovernmental	9,022,303	8,717,080	7,983,350	10,968,458
Investment Income	32,139	10,000	55,270	30,400
Miscellaneous	2,804,337	455,676	564,370	457,926
Total Revenues	<u>37,344,203</u>	<u>37,499,789</u>	<u>35,978,443</u>	<u>41,977,619</u>
Other Sources:				
Budget Authority Carried Forward	-	311,945	-	-
Proceeds from Borrowings	57,877	440,000	436,600	463,032
Transfers	1,375,643	2,905,016	2,057,016	1,563,970
Total Other Sources	<u>1,433,520</u>	<u>3,656,961</u>	<u>2,493,616</u>	<u>2,027,002</u>
Total Revenues and Other Sources	<u>38,777,723</u>	<u>41,156,750</u>	<u>38,472,059</u>	<u>44,004,621</u>
Resources Available to Budget	59,130,324	62,364,819	60,600,315	66,530,160
Expenditures:				
Undefined - Prior Period Adjustment		-	-	-
Personnel Services	19,398,913	19,885,770	19,766,979	21,508,378
Contractual Services	9,012,096	10,723,981	10,501,932	10,967,922
Commodities	1,043,416	1,823,328	1,514,855	1,631,980
Total Operations and Maintenance	<u>29,454,425</u>	<u>32,433,079</u>	<u>31,783,766</u>	<u>34,108,280</u>
Capital	2,684,378	3,074,210	1,192,599	6,055,341
Debt Services	3,146,108	2,782,107	2,935,395	3,021,929
Contingency	341,514	106,262	106,000	250,000
Total Expenditures	<u>35,626,425</u>	<u>38,395,658</u>	<u>36,017,760</u>	<u>43,435,550</u>
Other Uses:				
Transfers	1,375,643	2,905,016	2,057,016	1,563,970
Total Other Uses	<u>1,375,643</u>	<u>2,905,016</u>	<u>2,057,016</u>	<u>1,563,970</u>
Total Expenditures and Other Uses	<u>37,002,068</u>	<u>41,300,674</u>	<u>38,074,776</u>	<u>44,999,520</u>
Fund Balance, April 30th	22,128,256	21,064,145	22,525,539	21,530,640

VILLAGE OF LAKE ZURICH FISCAL YEAR 2012 ORGANIZATIONAL CHART



Village of Lake Zurich Strategic Plan 2011-2013

Overview

The following is the Village of Lake Zurich Strategic Plan for 2011-2013. This collaboratively developed document was approved in December 2010. To ensure that input from multiple stakeholders was considered, the Strategic Plan is based off information from three things:

- 1) A strategic planning and goal setting session in Fall 2009
- 2) A citizen satisfaction survey that took place in January 2010.
- 3) A community-wide business attitude survey in September and October 2009.

How it Works

- The Village Board develops the Mission Statement, Community Vision, Organizational Values and Strategic Goals.
- Based on the mission, vision, values and goals, the management team develops objectives within each strategic goal. The objectives are approved by the Village Board
- Based on the goals and objectives, each department develops a workplan. This workplan consists of departmental strategies and projects. Each department's workplan is listed in the Departments section starting on page 55.

Village Strategic Goals (Village Board)

Objectives (Management team, Approved by Village Board)

Strategies (Management Team and Departments)

Projects (Management Team and Departments)

Village of Lake Zurich Mission Statement

The mission of the Village of Lake Zurich is to strive to provide our residents and businesses exceptional quality municipal services. We will achieve this through strategic planning, fiscal responsibility, and transparent, accessible, and responsive municipal leadership and staff. This will result in continually improving quality-of-life and a return on investment for all stakeholders in the community.

Community Vision

- Vibrant Downtown – a charismatic, well-developed downtown area that captures the rich social, cultural, and economic distinction of Lake Zurich
- Sense of Community – a commitment to fostering quality relationships with all community stakeholders in pursuit of common goals
- Leadership by Example – an organization that serves as a regional beacon of efficient, effective, and economical governance
- Diversity and Vitality – a prosperous community founded on a diverse range of business, industry, and housing
- Service Delivery – maintaining a service delivery framework built on best practices that balances resources and needs

Guiding Principles of Our Organization

- Trust & Integrity – We believe that our organization is honest in our actions, open with our communications, and that we provide fair and dependable public services.
- Teamwork – We believe that our organizational team strives for success through a collaborative approach utilizing our dedicated, innovative, and forward-thinking team of professionals to deliver high-quality public services.

- High-performance, Quality Services – We believe that our organization delivers cost-effective, efficient, and responsive public services evaluated through clearly defined performance-measures.
- Caring & Respectful Leadership – We believe that our organization provides guidance to our personnel and the community by establishing the people's goals and objectives derived from listening to needs.
- Transparency & Accountability – We believe that our organization is open, accessible, and promotes understanding throughout the community by educating the public about Village operations and services.
- Dedicated Professionals – We believe that our organization, in order to sustain itself, must attract, develop, and retain qualified individuals with high ethical standards and a desire to serve the public.

Strategic Goal #1: Ensure the Long-Term Sustainability of the Village

Inherent in this goal is ensuring the financial, operational, and administrative capacity to maintain service levels in accordance with the mission and vision of Lake Zurich. This includes the development and maintenance of a comprehensive Capital Improvement Plan (CIP), Capital Equipment Plan (CEP), and potable water and storm water/wastewater plans. This will require a high level of maintenance for public infrastructure as well as private property in addition to the need to revisit and renew the plans and strategies for infrastructural maintenance on a regular basis.

Consultation and deliberation of established plans and strategies from impacted stakeholders must be urged as well as the utilization of purposeful design to develop a downtown development strategy. Policies, which will spur investment and reinvestment opportunities by the business and development community, will need to be established and supported to provide meaningful development through proper planning and resource management. The creation of a dynamic and collaborative atmosphere that welcomes new and diverse business types, attracts investments and encourages public/private partnerships is also critical in this arena.

The Village's mission, vision, and goals must be continuously consulted in order to set the context, direction, and priorities of Village operations. This will entail consulting, researching and examining, both internally and externally, of methods to streamline Village operations.

Strategic Goal #1 Village Board Objectives

- 1) Ensure the maintenance of the Village's capital assets and infrastructure through systematic planning processes
- 2) Promote the overall development/redevelopment of the community
- 3) Utilize up-to-date best practices and policies
- 4) Attain fiscal balance and sustainability

Strategic Goal #2: Provide Community-Focused Municipal Services

Providing community focused municipal services requires measures that seek to improve the quality of life for the residents, business owners, and visitors of Lake Zurich. This includes actively soliciting feedback from community stakeholders for incorporation into the community

and organizational planning process while encouraging problem solving at all levels of municipal operations. This will foster an organizational culture of continuous improvement and goal achievement. Programs and processes that provide information and education to staff, elected officials and community stakeholders regarding financial policies, service operations, and the organizational planning processes of the Village will need to be developed and implemented.

It is essential to develop strategies that eliminate redundancy and maximize productivity through an investment in technology and training initiatives to adapt to changing demographic, societal, and economic trends. Strategic partnerships between the governing body, management, employees, and community stakeholders will help the Village evaluate and develop current and/or future service needs while establishing measurable performance standards across all Village operations.

Utilizing evaluation standards that are objective, measurable, and representative of the service, program, and/or employee ensures the identification of the strengths and weaknesses of Village operations allowing for responsible financial planning consistent with the Village's mission and vision. This enables the Village to maintain a balanced budget accompanied by sufficient reserves while simultaneously providing reliable Village services that consider the breadth and diversity of community stakeholders.

Strategic Goal #2 Village Board Objectives

- 1) Tailor service delivery to the needs of the community
- 2) Deliver Village services efficiently and effectively
- 3) Maximize the quality of Village services based on available financial resources and strategic prioritization

Strategic Goal #3: Facilitate Informed Decision-making

Informed decision-making means having the capacity and expertise to use objective and measurable methods of information analysis. This includes an evaluation of current and potential protocols for information gathering and dissemination. This will ensure maximization of existing communication methods while employing multiple streams of information in the decision-making process.

Efforts to solicit feedback from community surveys, business surveys, and internal surveys will help develop benchmarking criteria and strategic timelines for incorporation into Village operations. This requires accurate and relevant records that use concise, easy-to-understand formats and comparative data (e.g. per capita cost, historical trends) used to uphold Village-wide efforts to increase community communication and participation in everyday operations.

Internally, departmental representatives are encouraged to collaborate on the identification and prioritization of strategic departmental initiatives, information processes, and information technology solutions that increase the quality of data collection and analysis including the expansion of public outreach and information campaigns regarding Village projects/programs.

Continued efforts to implement and improve measurables for efficiency, effectiveness, and economy will streamline the components of the Lake Zurich Action Plan (CIP, CEP, Strategic Plan, Budgeting, Performance monitoring, etc.) to promote informed governance. This places an increased emphasis intended outcomes and the related performance measures and targets.

Strategic Goal #3 Village Board Objectives

- 1) Provide timely, relevant, and high-quality information and analysis
- 2) Utilize results-oriented reporting and evaluation procedures
- 3) Promote interactive communication throughout the organization
- 4) Foster innovation and ingenuity in all levels of municipal operations to allow decision-making responsibility and accountability at the most effective organizational levels.

Strategic Goal #4: Adhere to Ethical Behavior in all Governmental Operations

Ethical behavior is acting in accordance with the rules or standards for appropriate conduct and in accordance with the standards of municipal services profession. This means that employees agree to conduct their profession in a manner reflective of the highest standards of honesty and respect for each other and the residents, business owners, and visitors of Lake Zurich.

Inherent in this goal is establishing effective communication methods with federal, state, regional, and local governments to cultivate positive relationships and to deepen awareness of regional, state, and national initiatives and activities. Locally, this will require collaboration with community stakeholders and community-based organizations to identify joint ventures or partnerships that further the community vision.

This entails inviting a cross section of the citizens to assist with the exchange of information with other community stakeholders, conducting a bi-annual citizen satisfaction survey to solicit direct feedback from community residents and incorporating technology and innovative solutions to enhance communications with community stakeholders. Community outreach activities will enhance the community's understanding of the multiple and varied roles, responsibilities, and processes of municipal operations to encourage an open environment. This will entail the use of communication methods founded on the ideals of transparency, accountability, and accessibility.

Operational decisions should incorporate elements that embrace both tangible and intangible benefits while cognizant of the diverse cultural and socioeconomic segments throughout the community. This assures the provision of comprehensive services that seek to achieve the most good for the greatest number of citizens.

Strategic Goal #4 Village Board Objectives

- 1) Comply with all contractual obligations and government regulations
- 2) Foster active stakeholder participation in government
- 3) Promote openness and transparency in governmental processes

BUDGET PROCESS FLOWCHART

Village of Lake Zurich Budget



Village of Lake Zurich

Budget Calendar

Fiscal Year 2012

December 10, 2010	Final Revenue Projections Presented to Village Administrator
December 13, 2010	Departments notified to begin 2012 fiscal year information input into financial management/budget system
January 7, 2011	Finance closes Pentamation locking out Department input
January 17, 2011	Presentation of Five Year Capital Projects Fund to Village Board
January 17 – 21, 2011	First Round of Department Head review of their budget with the Village Administrator and Finance Director
February 7 – 11, 2011	Second Round Department Head Review
February 25, 2011	Village Administrator's 2012 Budget Recommendation distributed to the Village Board
March 12, 2011	Budget Workshop (Committee of the Whole) Administrator and staff present recommendation to full Board of Trustees.
April 4, 2011	Village Board delays adoption of FY 2012 Budget Ordinance
April 18, 2011	Village Board votes against adoption of FY 2012 Budget Ordinance
April 27, 2011	Village Board adopts the 2011 – 2012 Village Budget by Ordinance

Financial Policies –

Financial policies provide guidance and direction while developing the operating and capital improvements projects (CIP) budget and managing the fiscal resources of the Village. With these tools the Village continues its quality accounting practices per the Government Finance Officers' Association (GFOA) and Government Accounting Standards Board (GASB) standards.

The Village must follow general budget legal requirements established by Illinois law, Lake County regulations and Municipal Code when preparing the annual budget. The chart to the right outlines the various actions and deadlines that must be followed. Under each category are the requirements listed by Illinois State Statute, Lake County regulations and Municipal Code or Village Policy.

Statutory Limitations

In connection with the adoption of the Ordinance the State requires the budget shall be prepared in a tentative form by the Budget Officer designated by the governing body. And in such tentative form shall be made conveniently available for public inspection for at least 10 days prior to final action thereon.

Action Required	Municipal Code/ Village Policy	Illinois Statute/ County Deadlines	Process Date
Budget Officer presents proposed Operating, Capital Projects and Debt Service budget to the Board of Trustees	On or before the fourth Monday in February	N/A	Feb 25 th
Tentative Annual Budget made available for public inspection	At least 10 days prior to the required public hearing	At least 10 days prior to the required public hearing	Feb 25 th
Legal Notice of Public Hearing	At least 7 days prior to the Public Hearing	At least 7 days prior to the Public Hearing	Mar 24 th
Public Hearing on tentative budget	Not less than 10 days after the tentative budget is made available for inspection	Not less than 10 days after the tentative budget is made available for inspection	Apr 4 th
Adoption of the Annual Budget by the Board of Trustees	Prior to the start of the fiscal year	Prior to the start of the fiscal year	Apr 27 th
Public Hearing on the Proposed Tax Levy	Prior to Adoption	Prior to Adoption	Dec 6 th
Adoption of the Annual Tax Levy by the Board of Trustees	In time to meet the filing requirement of the last Tuesday in December	In time to meet the filing deadline	Dec 6 th
Filing the Tax Levy with the Lake County Clerk's Office	On or before the last Tuesday in December	On or before the last Tuesday in December	Dec 12 th
Filing the Truth in Taxation Certification	On or Before the last Tuesday in December	Filed with the Tax Levy	Dec 12 th
Filing the Budget Ordinance		Within 30 days of adoption by the Board of Trustees	May 12 th

The statute also requires at least one public hearing be held as to the budget ordinance prior to final adoption and that public notice be given at least 7 days prior to the public hearing. The statute allows for a municipality to pass a continuing annual budget ordinance.

Lake County filing requirements have regulations that certain timelines be met during the Village's budget process. Lake County guidelines require that the Budget must be filed with the County Clerk's Office within 30 days of the adoption of the

Ordinance. The filing must be accompanied by an estimate of revenues by sources and must be certified by the municipality's chief financial officer.

Other Lake County deadlines require the government file its Tax Levy with the County Clerk's Office on or before the last Tuesday in December. In addition the government must file a "Truth in Taxation Certification" with its Tax Levy signed by the governing body's chief financial officer.

Basis of Accounting / Budgeting

- All funds are budgeted on a cash basis. Governmental funds use the modified accrual basis of accounting. The proprietary fund (Water and Sewer Fund) uses full accrual accounting.
- Depreciation is **not** budgeted.
- Capital purchases in proprietary funds are budgeted as expenditures.
- Debt service payments in proprietary funds are budgeted as expenditures and proceeds of long-term debt are budgeted as revenue-like "Other Financing Sources."
- For all funds, compensated absences expenditures are not recorded as earned; instead, all continuing positions are budgeted at 100% annually. Any differences relating to use of leave time or other accruable leave is immaterial.
- Operating funds budget authority lapse at year end.
- Capital projects budgets that begin in one year and overlap into the next are carried forward.

Budget Amendments

- Amendments that change the level of revenues or expenditures in any fund require Village Board approval. As such, budget transfers between funds also require Board approval.
- The Budget Officer (Village Administrator) is authorized to make transfers between departments (within the same fund).
- Budget transfer authority within department non-personnel line items in the same fund is delegated to the Finance Director.

Operating Budget Preparation

- The Village defines a balanced budget as a budget where the sum of all revenues and others sources added to available fund balance does not exceed requested expenditures unless short term borrowing from other funds will maintain fund liquidity and provide for cash resources to maintain operations.
- Maintain a General Fund budgeted year end fund balance at a level that will meet the cash flow requirements of the fund at a level that will not require loans from other funds while waiting for the Property Tax payments from Lake County.
- Maintain Enterprise Fund working capital (Cash and Investments less current Liabilities) balances at a level to pay for current operations.

Revenues

- The Village maintains a broad-based, well diversified portfolio of revenues.
- Forecasted revenues are calculated by using a five-year trend analysis and are forecasted for the next five years. Adjustments to revenue forecasts are performed annually.
- Property Taxes have been increased to capture all new or improved Equalized Assessed Valuation (EAV) into the Levy calculation. New EAV is defined as annexed while improved are permitted property improvements.
- Based upon the State's Property Tax Cap regulations Property Tax are increased by no more than the lower of 5% or the CPI for the preceding year.
- Projected property taxes are gross of uncollectible taxes. The uncollectible rate for debt service levies is 5% while all other levies are 3%.
- All Village rates and fees are reviewed annually and adjusted if necessary.

Capital Projects

- Project costs must be greater than \$50,000.
- Impacts on the Village's future operating costs must be included in planning of projects and incorporated within the respective department's operating budget.
- Capital Projects are adopted in whole with the intent that each project retains its budget authority until project completion.
- All projects must have an identified, approved funding source.
- Projects will not start until the funds have been received – bond, loan or cash flow. Exceptions will be made for reimbursable projects only (Special Service Area and reimbursable grant projects).

Debt Management

- The Village is a non-home rule unit which means the Village is subject to statutory limits on the amount of general obligation debt outstanding.
- When advantageous to the Village the type of debt to be issued is General Obligation Debt with annual abatements to the Debt Service Levy based upon acquiring resources from alternate revenue sources.
- Long-term debt is not to be issued to finance current operations.
- The maturity date of any debt will not exceed the reasonably expected useful life of the project financed.
- The Village issues long-term debt to only those capital improvements that can not be financed from current assets.

Investments

- The Village of Lake Zurich Investment Policy is adopted by the Board of Trustees. In accordance with that policy, public funds will be invested in a manner which will provide the maximum security of principal invested with secondary emphasis on providing the highest yield while meeting the daily cash needs of the Village.
- All investments will conform to applicable State and Village statutes governing the investment of public funds.

Fund Balance

- The Village strives to maintain a 20% fund balance in the General Fund in order to sustain reserves in case of emergency and to obtain a favorable bond rating.

VILLAGE OF LAKE ZURICH OVERVIEW

General Information

The Village of Lake Zurich is located in southwestern Lake County approximately 37 miles northwest of downtown Chicago. The Village is an established residential community which traditionally served as a market center for surrounding rural areas and, earlier in the 20th century, as a popular summer resort. The population has increased by more than five times since 1960, as the Village has shared in the economic growth that has come from an expanding Chicago metropolitan area. Lake Zurich has developed into a community with above-average wealth and housing values, and a balanced tax and revenue base.

Settlers first came to the area in the 1830's. George Ela settled in the area of Deer Grove, not far from Cedar Lake (now Lake Zurich) in 1935. Seth Paine, a Chicagoan, came to the area in 1836, and built a number of commercial establishments in what is now downtown Lake Zurich. New England farmers and German immigrants followed, and the Village was incorporated on September 19, 1896.

The Village grew slowly after its incorporation. The Palatine and Lake Zurich and Wauconda Railroad was built in 1910, but the line was discontinued in 1920. Rand Road (now U.S. Route 12) was paved through town in 1922, and helped establish Lake Zurich, with its rural setting and 250-acre lake, as a summer resort community. The east-west State Route 22, which also runs through Lake Zurich, was constructed in 1927. Population growth accelerated after World War II, with the Village's population increasing from 850 in 1950 to 3,458 in 1960, and further to 4,082 in 1970, 8,225 in 1980, and 14,927 in 1990 (up 81.5% from 1980). The 2000 Census reported a population of 18,104 up 21.3% from 1990. The Village estimates its current population at 19,932. The land area of the Village is 6.9 square miles.

The Village's municipal neighbors include North Barrington to the west, Deer Park to the south, Kildeer to the southeast and east, and Hawthorn Woods to the north. Transportation links include U.S. Route 12 and State Route 22, and freight rail service by the CN Railroad. Commuter train service to Chicago is available in Barrington, five miles from Lake Zurich. O'Hare International Airport is approximately 30 miles from the Village.

The Village is a non-home rule community that operates under the management form of municipal government as provided in 65 ICLS 5. Lake Zurich is governed by a President and a six-member Board of Trustees. All are elected at an at-large basis in non-partisan elections to overlapping four year terms. The Board and President are charged with (among other things) setting policy, passing ordinances, adopting the budget and hiring the Village Administrator. In turn, the Village Administrator oversees the day-to-day operations of the Village.

Population

The following table shows the population of the Village for the last five U.S. Censuses.

<u>U.S. Census</u>	<u>Population</u>
1970	4,082
1980	8,225
1990	14,927
2000	18,104
2010	19,631

Source: U.S. Bureau of the Census

Village Government

The Village of Lake Zurich is a non-home rule community that operates under the management form of municipal government as provided by 65 ILCS 5. The Village is governed by a President (Mayor) and Board of six trustees, all of whom are elected on an at large basis to four-year overlapping terms. The Village President is the chief executive officer of the Village. The President presides at all Village Board meetings and may exercise voting rights under certain circumstances. She approves all of the ordinances, orders and resolutions passed by the Board of Trustees, and supervises the conduct of the officers of the Village (except Trustees). Below is list of the Village's President and Board of Trustees.

	<u>Term Expires</u>
President: Suzanne K. Branding	2013
Village Clerk: Kathleen Johnson	2015
<u>Village Trustees</u>	
Jeff Halen	2013
Jonathan Sprawka	2013
Rich Sustich	2013
Tom Poynton	2015
Dana Rzeznik	2015
Mark Ernst	2015

An appointed Village Administrator is charged with the day-to-day responsibility of coordinating the activities of the Village departments by facilitating the work necessary to carry out the policies established by the Board. The following is a list of all Village Department heads under the direction of the Administrator's Office:

Village Administrator	Bob Vitas
Finance Director	Al Zochowski
Chief of Police	Patrick Finlon
Fire Chief	Terry Mastandrea
Director of Building and Zoning	Daniel A. Peterson
Director of Public Works	David Heyden
Director of Parks & Recreation	Michael J. Perkins

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$3,500 for taxable years prior to tax year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of \$5,000 for taxable year 2004 and thereafter (the "General Homestead Exemption").

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption operates annually to reduce the EAV on a senior citizen's home for taxable years prior to 2004 by up to \$3,500 in counties with less than 3,000,000 inhabitants – such as Lake County. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the

assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$50,000 or less. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The amount of the exemption phases out as the amount of household income increases. The amount of the exemption is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year) and then multiplying this figure by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Lastly, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the Issuer. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Currently, the Limitation Law applies only to and is a limitation upon all non-home-rule taxing bodies (and school Districts) in Cook, DuPage, Kane, Lake, McHenry or Will Counties.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The Village has the authority to levy taxes for many different purposes. See "Tax Rates by Purpose per \$100 of Equalized Assessed Value." The ceiling at any particular time on the rate at which these taxes may be extended for the Village is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the Village) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the Village's limiting rate computed in accordance with the provisions of the Limitation Law.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

The following table sets forth the Village’s EAV and estimated market value for the last five fiscal years.

Village of Lake Zurich Property Valuations

<u>Levy Year</u>	<u>Collection Year</u>	<u>Fiscal Year</u>	<u>EAV ⁽¹⁾</u>	<u>Estimated Market Value</u>	<u>Percent Change</u>
2006	2007	2008	769,562,132	2,308,686,396	6.81
2007	2008	2009	848,924,815	2,546,774,445	10.31
2008	2009	2010	885,557,913	2,656,673,739	4.32
2009	2010	2011	898,034,255	2,694,102,765	1.41
2010	2011	2012	872,121,444	2,616,364,332	-2.89
Per Capita 2010 EAV ⁽²⁾			\$44,426		
Per Capita 2010 Estimated Market Value ⁽²⁾			\$133,277		

Source: The Village

- (1) Excluding tax increment financing district incremental EAV.
(2) Based on the Village’s 2010 US Census population of 19,631.

The following table sets forth the Village’s EAV by use for the last five years.

Village of Lake Zurich Equalized Assessed Valuation by Use ⁽¹⁾

<u>Classification</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential.....	\$611,259,074	\$660,487,846	\$684,983,320	\$692,693,078	\$670,743,685
Commercial.....	82,306,459	103,520,962	106,870,198	108,829,384	105,875,275
Industrial.....	72,876,097	84,870,140	93,642,385	96,440,796	95,149,520
Railroad.....	33,174	45,081	61,540	70,478	352,395
Farm.....	87,328	786	470	517	569
Total.....	<u>\$769,562,132</u>	<u>\$848,924,815</u>	<u>\$885,557,913</u>	<u>\$898,034,255</u>	<u>\$872,121,444</u>

Source: The Lake County Clerk’s Office

- (1) Excludes incremental valuation in the Village’s tax increment financing districts.

The Village’s property tax rates expressed as a dollar for each \$100 of EAV, for the tax levy years 2006 through 2010 are as follows:

Village of Lake Zurich
Tax Rates by Purpose Per \$100 of Equalized Assessed Valuation

	Levy Years				
	2006	2007	2008	2009	2010
Corporate.....	\$0.154	\$0.145	\$0.008	\$0.012	\$0.26
Bonds.....	0.140	0.125	0.126	0.109	0.116
Pensions (Inc. Soc. Security and IMRF)	0.182	0.173	0.286	0.321	0.289
Police Protection.....	0.117	0.111	0.111	0.097	0.078
Fire Protection.....	0.107	0.101	0.101	0.088	0.077
Liability Insurance.....	0.043	0.041	0.076	0.074	0.000
Recreation For Handicapped.....	0.023	0.022	0.021	0.020	0.021
Ambulance.....	0.100	0.095	0.096	0.083	0.015
Total Village Purposes.....	<u>\$0.866</u>	<u>\$0.813</u>	<u>\$0.825</u>	<u>\$0.804</u>	<u>\$0.856</u>

Source: The Village

The Village's property tax rates and those levied by other units of government expressed as a dollar for each \$100 of EAV, for the tax levy years 2005 through 2009 are as follows:

Tax Collections and Extensions

The Village prepares an itemized budget upon which hearings are held. The County Collector, who is also the County Treasurer, collects the property taxes and remits the Village's share of the collections to the Village. Taxes levied in one calendar year become payable during the same calendar year. Tax bills are prepared by Lake County and are payable in two installments, on or about May 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

At the end of each calendar year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1 1/2% (1% for agricultural property) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within specified time periods based on the type of real estate involved, the tax buyer can receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

The Truth in Taxation Act imposes procedural limitations on the Village's real estate taxing powers. The definition of "aggregate levy" under the Act, however, excludes debt service levies. Therefore, levies made to pay principal and interest on bonds (or lease rentals to Public Building Commissions) cannot be reduced by operation of the Act.

The Village is as a non-home rule unit subject to the Property Tax Extension Limitation Law (Public Act 89-1) effective March 1, 1995.

The following table sets forth the Village's tax levy and collections for the last five fiscal years.

**Village of Lake Zurich
Tax Levy and Collections**

Levy Year	Total Taxes Extended	Total Collections	
		Amount	Percent
2006	6,535,016	6,534,252	99.99%
2007	6,664,408	6,671,241	100.10%
2008	6,901,759	6,885,811	99.77%
2009	7,305,853	7,351,787	100.63%
2010	7,220,195	7,214,819	99.93%
2011	To be approved in December 2011		

VILLAGE DEBT

Debt Limitations

The Village is a non-home rule municipality. Pursuant to authority granted by Chapter 24, Section 8-5-1 of the Illinois Compiled Statutes, a non-home rule municipality may incur general obligation indebtedness up to 8.625% of the total equalized assessed valuation of all taxable property in the municipality. Except for certain lease/purchase agreement powers, general obligation indebtedness must be incurred pursuant to referendum.

**Village of Lake Zurich
Schedule of Legal Debt Margin**

Legal Debt Limit (8.625% of Assessed Valuation) ⁽¹⁾	\$ 75,220,475
Less Total Debt	<u>(3,815,000)</u>
Legal Debt Margin	<u><u>\$ 71,405,475</u></u>

(1) Based on 8.625% of the Village's 2010 Equalized Assessed Valuation of \$872,121,444.

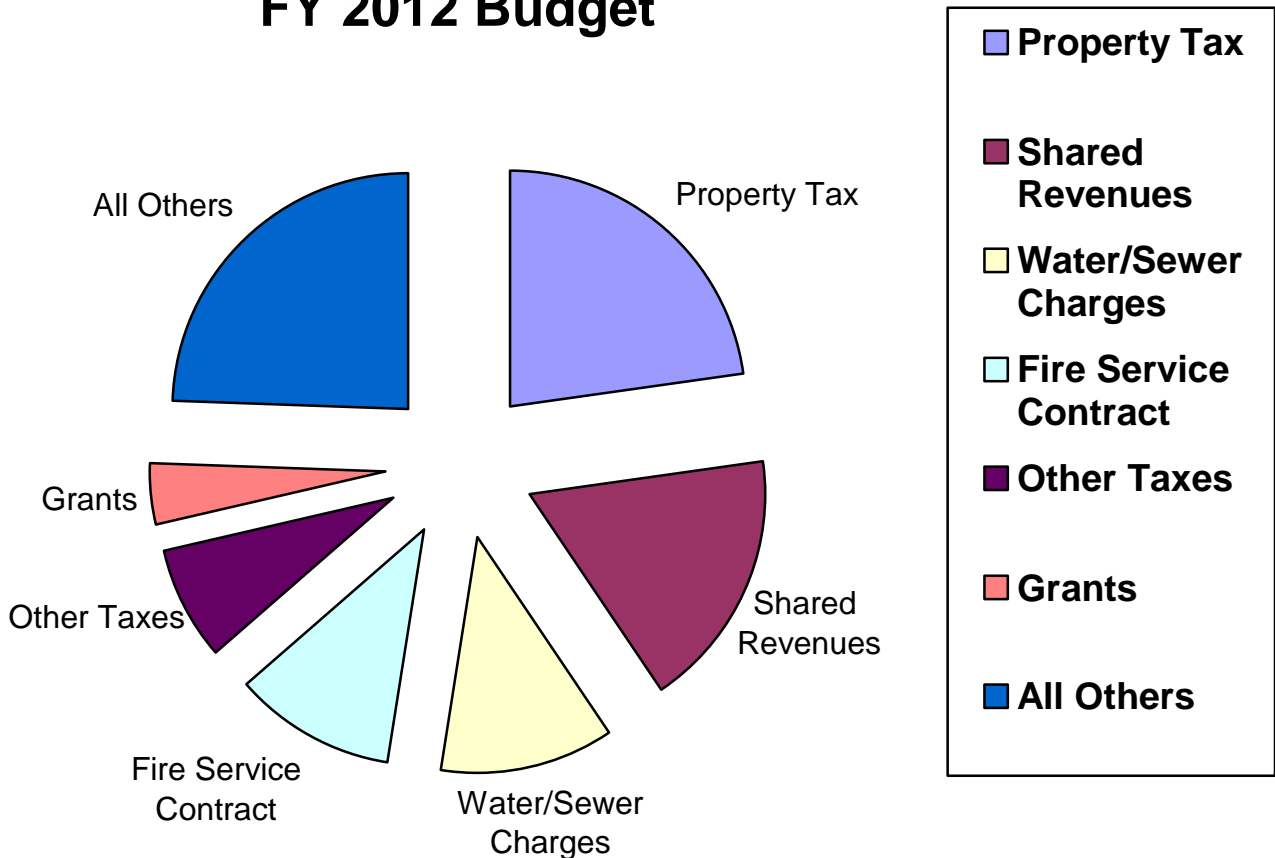
Source: The Village

Major Revenue Sources –

The Village of Lake Zurich receives the majority of its revenues from six chief revenue sources. These six streams account for \$31,704,058 or 75.53% of the budgeted FY2012 operating revenues.

Revenue Stream	FY 2012 Budget	Percent
Property Tax	\$ 9,528,899	22.70%
State Shared Revenues	\$ 7,476,750	17.81%
Water/Sewer Charges	\$ 4,998,316	11.91%
Fire Service Contract	\$ 4,655,085	11.09%
Other Taxes	\$ 3,277,000	7.81%
Grants	\$ 1,768,008	4.21%
TOTAL MAJOR REVENUES	\$31,704,058	75.53%

Village Operating Revenues FY 2012 Budget



Property Tax

Description:

Property Tax is the largest source of revenue used by the Village of Lake Zurich, accounting for 25.70% of total operating revenues. Property tax is a value-based tax that is imposed on all real property within Village limits. Lake County collects property tax revenue and remits it to the Village based on valuations by the township assessor. Real property includes industrial, commercial and residential units. The Village levies a property tax for general purposes, public safety pensions and debt service. The method to estimate property tax revenue is combination of trend analysis and environmental assessment.

Legal Authorization:

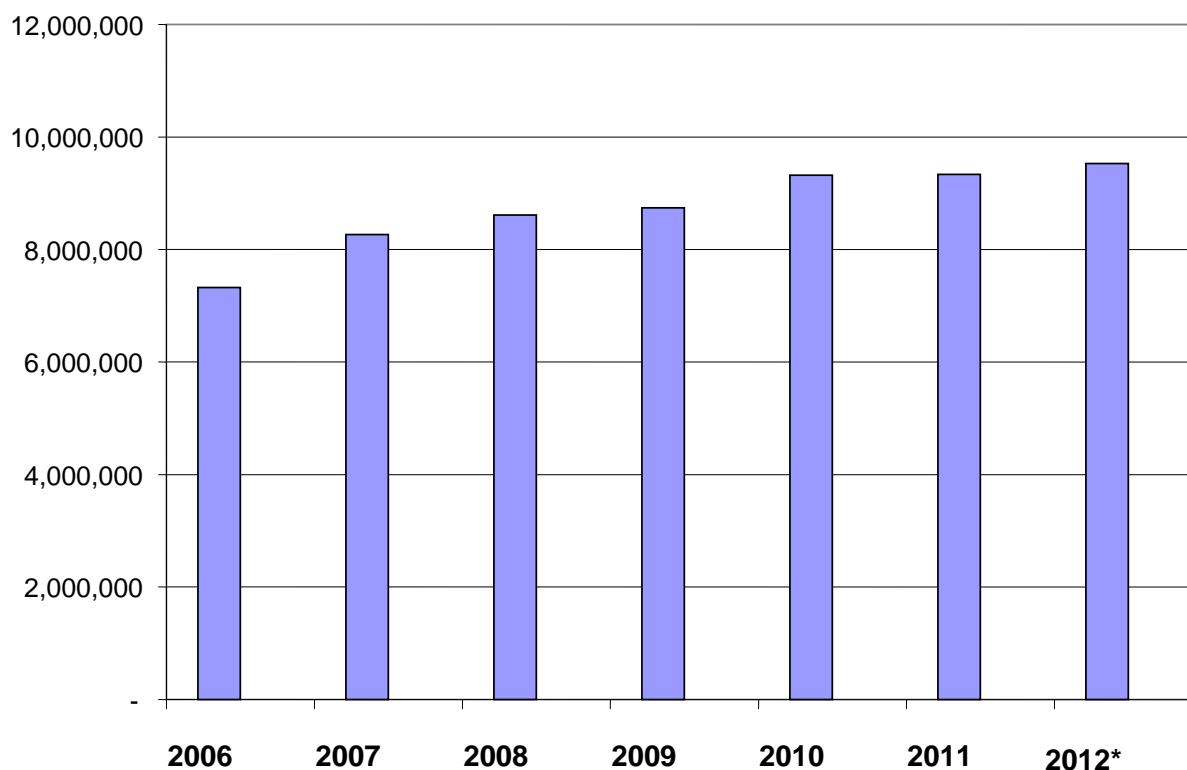
Village ordinance typically passed in December, under the authority of 35 ILCS 200.

Collection Schedule:

Tax Bills are prepared by the Lake County and mailed in May. The first installment is due in June and the second installment is due in September. The Village usually receives payment from the county shortly thereafter.

Fiscal Year	Amount	% Change
FY2006	7,322,303	n/a
FY2007	8,267,397	12.91%
FY2008	8,610,706	4.15%
FY2009	8,739,556	1.50%
FY2010	9,322,581	6.67%
FY2011	9,335,547	0.14%
FY2012*	9,528,899	2.07%

Revenue History and Budgeted Amount



State Shared Revenues

Description:

State Shared revenues are the 2nd largest source of revenue used by the Village of Lake Zurich, accounting for 17.81% of total operating revenues. There are two chief revenues in this category are sales tax and income tax.

- 1) Sales Tax – Of the 7.5% tax on imposed on all revenue generating sales, the Village receives 1% for general purposes
- 2) Income Tax - All income for persons residing or working in Illinois is taxed at a 3% rate for individuals and 4.8% for corporations. State tax revenues are then distributed to municipalities based on population.

The method to estimate property tax revenue is combination of trend analysis and environmental assessment.

Legal Authorization:

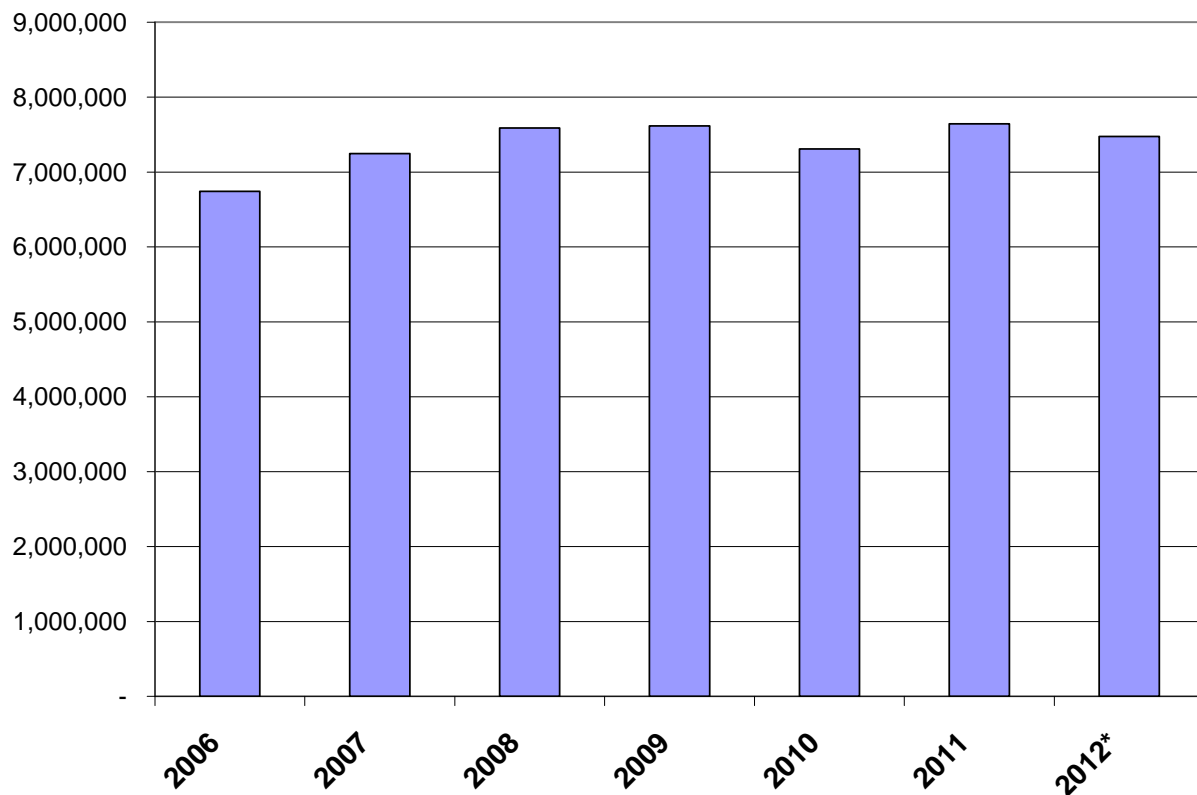
Various State statutes

Collection Schedule:

The state remits monthly payments to the Village, usually on the 25th of the month.

Revenue History and Budgeted Amount

Fiscal Year	Amount	% Change
FY2006	6,741,828	n/a
FY2007	7,249,070	7.52%
FY2008	7,590,512	4.71%
FY2009	7,615,371	0.33%
FY2010	7,308,067	-4.04%
FY2011	7,646,356	4.63%
FY2012*	7,476,750	-2.22%



Water/Sewer Charges

Description:

Water and Sewer charges are the 3rd largest source of revenue used by the Village of Lake Zurich, accounting for 11.98% of total operating revenues. Residential users and commercial users are charged based a fixed rate and based on the level of water consumption. Residential and commercial users are charged \$10.04/1,000 gallons. This category also includes other service related fees such as connection and disconnection charges.

Legal Authorization:

65 ILCS 5/Art 11 prec Div 117

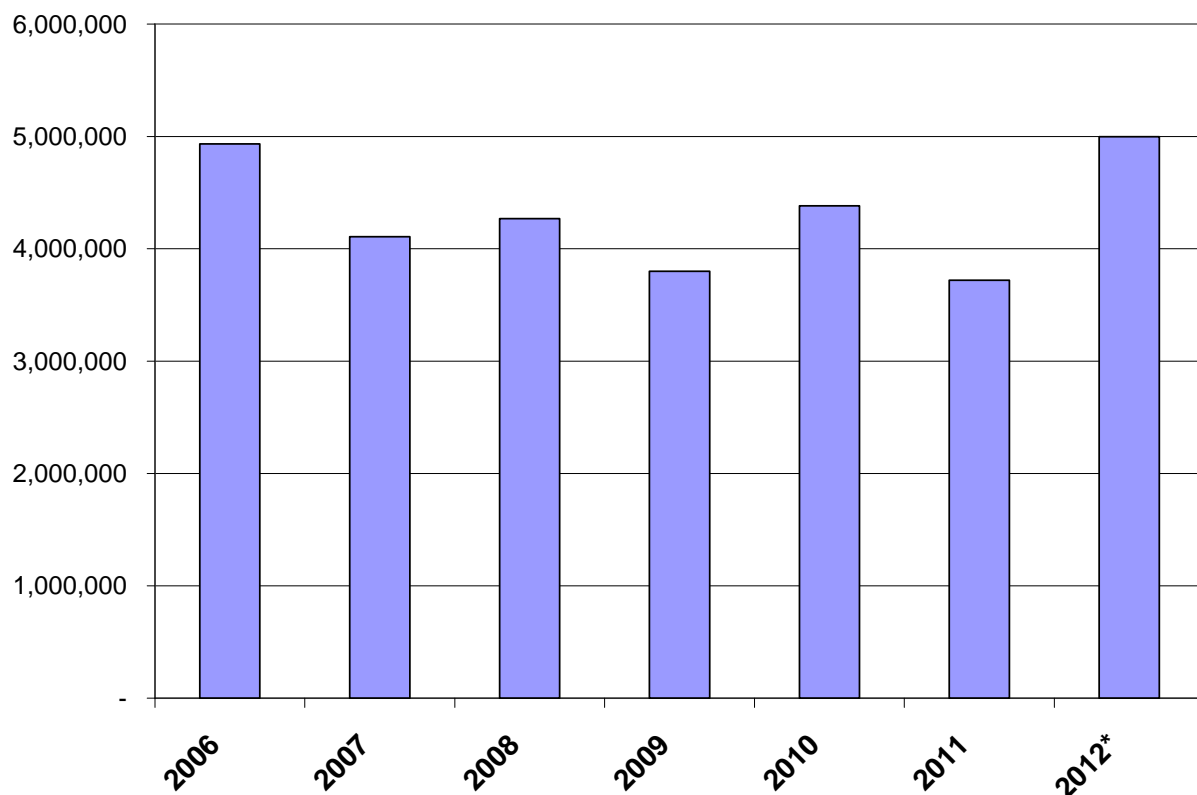
Collection Schedule:

Water bills are sent to customers monthly and due on the 15th of each month.

Revenue History and Budgeted Amount

Fiscal Year	Amount	% Change
FY2006	4,934,036	n/a
FY2007	4,107,684	-16.75%
FY2008	4,268,679	3.92%
FY2009	3,799,268	-11.00%
FY2010	4,382,040	15.34%
FY2011	3,719,628	-15.12
FY2012*	4,998,316	34.38%

*FY 2012 is a budget figure



Fire Service Contract

Description:

The Village of Lake Zurich Fire Department provides services for the Lake Zurich Rural Fire Protection District. This contractual agreement accounts for 11.09% of operating revenues. The district reimburses the Village for roughly half of the total cost of providing fire and rescue services. Thus, this revenue source is projected based on budgeted expenditures. The service area includes Lake Zurich and contains about 25 square miles and 40,000 citizens.

Legal Authorization:

Intergovernmental Agreement with the Lake Zurich Fire Protection District under authority of 70 ILCS 705

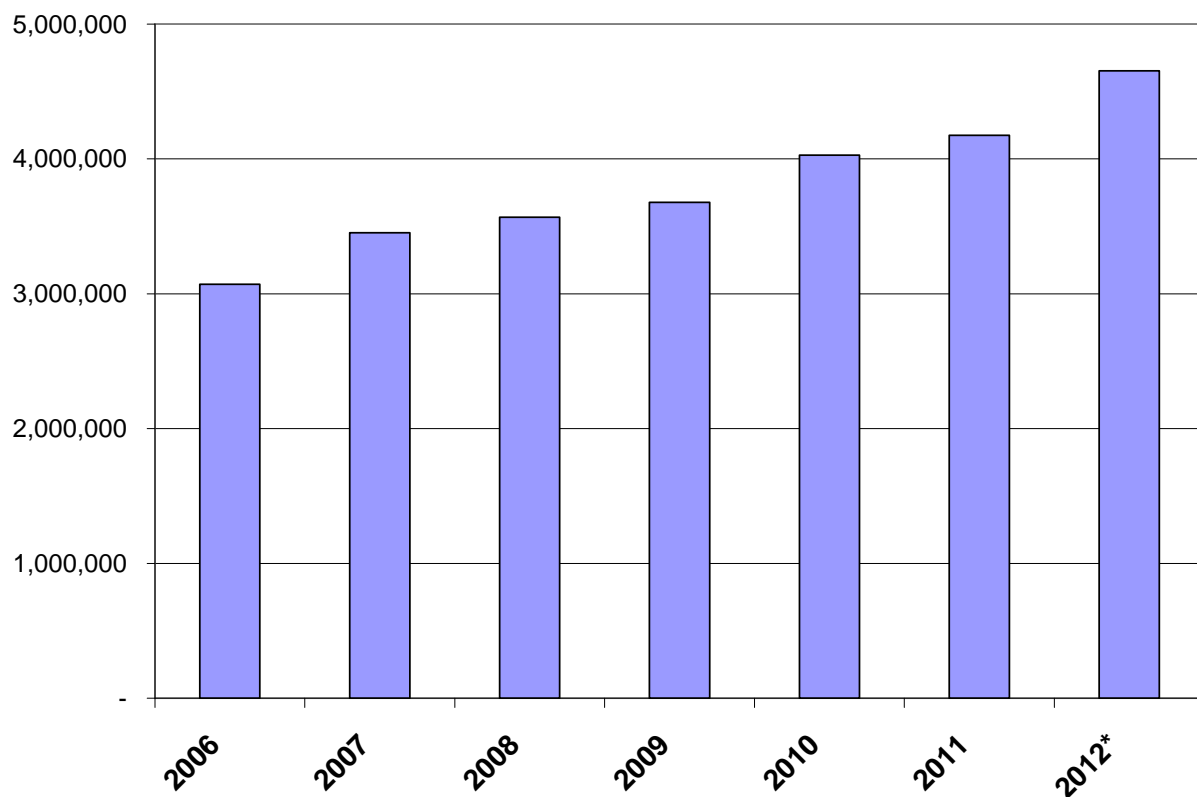
Collection Schedule:

The Fire Protection District remits monthly payments to the Village in addition to periodic reimbursement payments.

Revenue History and Budgeted Amount

Fiscal Year	Amount	% Change
FY2006	3,071,838	n/a
FY2007	3,451,704	12.37%
FY2008	3,568,123	3.37%
FY2009	3,677,221	3.06%
FY2010	4,027,707	9.53%
FY2011	4,175,214	3.66%
FY2012*	4,655,085	11.49%

*FY 2012 is a budget figure



Other Local Taxes

Description:

The Village of Lake Zurich locally administers taxes on utilities, telecommunications and hotel/motel use. Voters also approved a .5% non-home rule sales tax in November 2010. This accounts for the large increase in local taxes expected in FY 2012. These taxes make up a total of 7.81% of the Village operating budget. Local taxes are projected based upon trend analysis and environmental assessment.

Legal Authorization:

Local Ordinances based authority given by Illinois Statutes

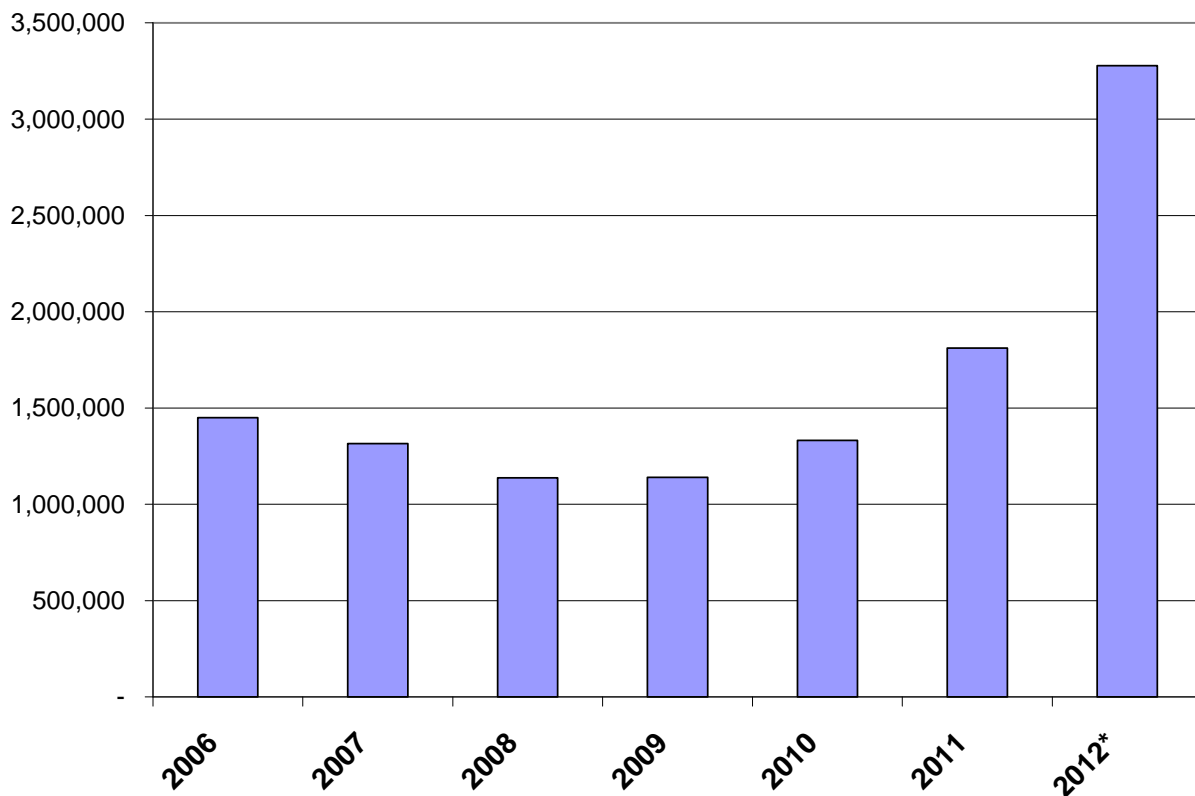
Collection Schedule:

Varies

Revenue History and Budgeted Amount

Fiscal Year	Amount	% Change
FY2006	1,449,667	
FY2007	1,314,540	-9.32%
FY2008	1,137,707	-13.45%
FY2009	1,140,487	0.24%
FY2010	1,331,778	16.77%
FY2011	1,810,943	35.98%
FY2012*	3,277,000	80.96%

*FY 2012 is a budget figure



Grants

Description:

Grants are monies given to the Village by the state of Illinois and the Federal Government for a specific purpose. The Village is accountable to the state or federal government to show that funds were properly used for the specified purpose. Grants account for 4.21% of total operating revenues. The Village is subject to strict reporting requirements in order to receiving the full amount of the grant. Examples include grants for traffic enforcement, bulletproof vests, sidewalk construction, emerald ash borer mitigation, and the Safe Routes to School grant. Grant revenue is projected based on actual grants sought and the likelihood of earning the grant.

Legal Authorization:

Intergovernmental agreements with the state and federal governments.

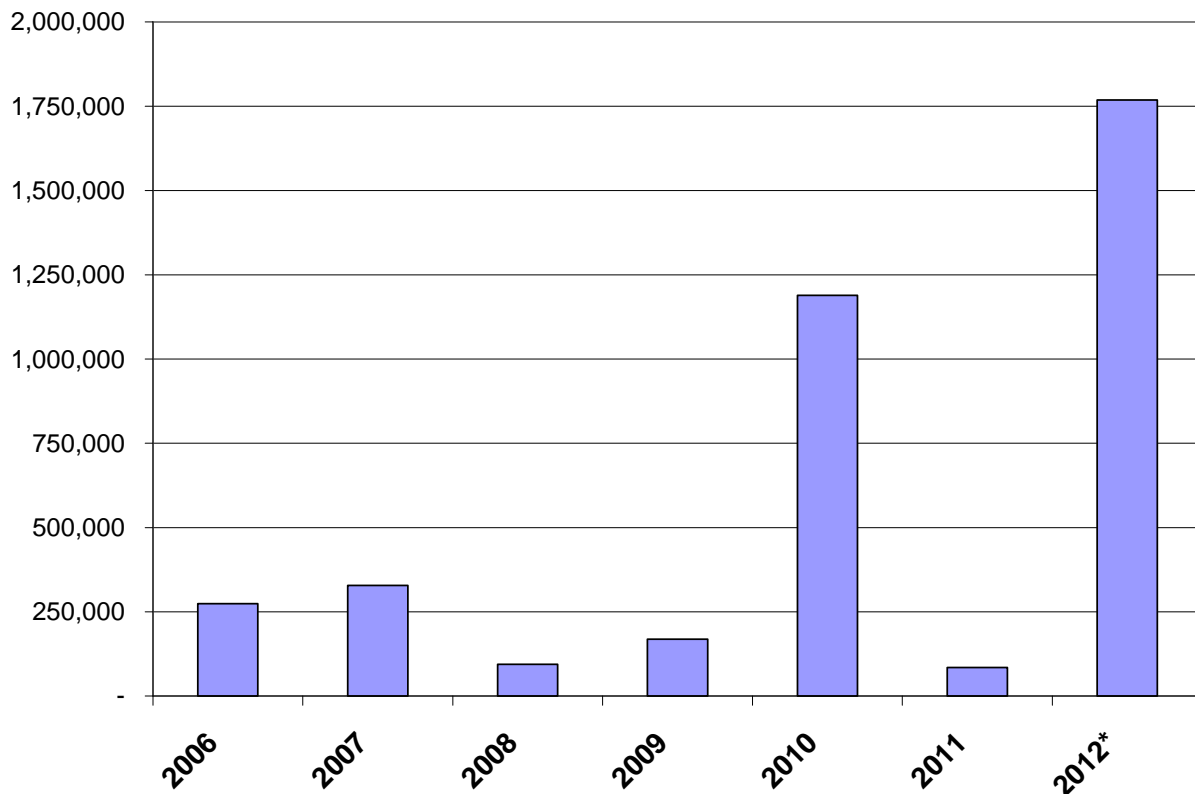
Collection Schedule:

Intergovernmental agreements with the state and federal governments.

Revenue History and Budgeted Amount

Fiscal Year	Amount	% Change
FY2006	274,090	
FY2007	328,658	19.91%
FY2008	99,993	-71.40%
FY2009	168,452	79.22%
FY2010	1,188,866	605.76%
FY2011	84,549	-92.89%
FY2012*	1,768,008	1991.11%

*FY 2012 is a budget figure



II. Fund Information

GOVERNMENTAL FUND TYPES

General Fund

Special Revenue Funds

Motor Fuel Tax Fund

Hotel/Motel Tax Fund

Non-Home Rule Sales Tax (NHRST)

Special Tax Allocation Fund (TIF)

Debt Service Fund

Debt Service Fund

TIF Debt Service Fund

Capital Projects Fund

Capital Projects Fund

Park Improvement Fund

TIF Capital Improvements Fund

PROPRIETARY FUND TYPES

Enterprise Fund

Waterworks and Sewerage Fund

Internal Service Funds

Medical Insurance Fund

Vehicle Maintenance Fund

Risk Management Insurance Fund



Funds –

Based on recommendations from the Government Accounting Standards Board (GASB), local governments such as the Village separate the accounting of revenue sources because of internal or external requirements and restrictions. For instance:

- The Village can not use Motor Fuel Tax revenues to pay for public safety operations (statutory limitations).
- The Village is restricted to use revenues from the Hotel Tax only for promotion of tourism only and can not be used for general government purposes. (Village Policy)
- The Village may only use revenues from the Non-Home Rule Sales Tax for maintenance and operations, repair, replacement, or reconstruction of Village infrastructure. (Village Ordinance)

Each fund is a self balancing set of accounts used to track the activity of specific revenues or series of revenues. Fund types that involve service delivery include the General Fund, Special Revenue Funds and Enterprise Funds. These three fund types account for most of the Village's service delivery. The General Fund is the largest fund and accounts for most primary services. Special Revenue funds account for the proceeds of special revenue sources that are restricted in use. Enterprise funds are used for those activities designed by the Board to operate on a self-funding basis, using accounting methods similar to business enterprises. The intent of an Enterprise fund is to earn sufficient profit to insure the fund's continued existence without reliance on general tax revenues. Other fund types used are Debt Service, Capital Project and Internal Service funds. These funds account for transactions not related to service delivery. Instead, they account for the financing, construction and inter-department services of the Village.

Budgeted Funds

Governmental Funds

- General Fund (101) – The chief operating fund of the Village. All financial resources are included in the General Fund unless required to be accounted for in another fund.

Special Revenue Funds – Governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

- Motor Fuel Tax (202) – Monies collected on a per-gallon tax on motor fuel in Illinois and remitted to local governments on a per capita basis. By state law, expenditures in this fund are restricted to certain road maintenance activities.
- Hotel / Motel Tax (203) – Tax monies collected on a per room basis from hotels and motels. By Village policy, expenditures in this fund are restricted to economic development activities.
- Non-Home Rule Sales Tax (205) – Revenues from a .5% tax on certain goods. By state law and Village Ordinance, expenditures in this fund are restricted to maintenance and infrastructure improvements.
- TIF Tax Allocation (210) – Captures all revenues and fund transfers to pay for administrative costs to stimulate and induce redevelopment of downtown Lake Zurich pursuant to the TIF act.

Debt Service Funds – Funds used to account for the accumulation of resources for the payment of general long-term debt principle and interest.

- Debt Service Fund (301) – Accounts for debt service in all Village operations other than inside TIF districts
- TIF Debt Service Fund (310) – Accounts for debt service in all TIF-related Village Operations

Capital Projects Funds – Funds used to account for the financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by enterprise funds.

- Capital Projects Fund (401) – Provides resources for all Village capital improvements that are not in the TIF districts or part of a Park Improvement project.
- Park Improvement Fund (402) – Provides resources for the improvement and maintenance of Village parks
- TIF Redevelopment Fund (410) – Provides resources for the improvement and maintenance of Village assets in TIF districts.

Proprietary Funds

Enterprise Funds – Funds used to report on activity for which a fee is charged to external users for goods and services. Enterprise funds are self-contained units that are expected to recover all costs of operations

- Water and Sewer Fund (501) – Contains the resources to provide water and sewer services to Village customers.

Internal Service Funds – Funds used to report any activity that provides goods or services to other funds, departments, or agencies of the Village, its component units or to other governments on a cost recovery basis.

- Medical Self-Insurance Fund (601) – Captures the Village share of health care premiums for covered Village employees.
- Vehicle Maintenance Fund (602) – Accounts for vehicle maintenance costs. The fund is operated on a cost recovery basis and each department is charged for the services received.
- Risk Management Fund (603) – Accounts for general Village risk management insurance costs. Each department is charged on a cost recovery basis.

Non- Budgeted Funds

The following funds are included in the audited financial statements of the Village, but are not budgeted.

Foreign Fire Tax Fund (204) – Governmental / Special Revenue

Police Pension Fund (701) - Fiduciary

Fire Pension Fund (702) – Fiduciary

Performance Escrow Fund (710) – Fiduciary

The following matrix depicts the departments that operate in each budgeted fund.

	General	Motor Fuel Tax	Hotel / Motel Tax	TIF Tax Allocation	NHRST	TIF Debt Service	Capital Projects	TIF Redevelopment	Medical Self-Insurance	Vehicle Self-Insurance	Water/Sewer	Risk Management		
Gen Gov / Legislative	X						X	X	X	X	X		X	X
Village Admin	X					X								
Finance	X													
Police	X													
Fire / Rescue	X													
Building & Zoning	X													
Public Works	X	X		X	X				X		X		X	
Parks and Recreation	X			X					X					

General Fund

The General Fund is the chief operating fund of the Village of Lake Zurich. This fund accounts for all financial resources except those required to be accounted for in another fund.



Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

General Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	3,457,242	3,294,634	3,777,471	4,025,245
Revenues:				
Taxes	6,182,797	6,543,060	6,693,745	7,150,962
Licenses	1,454,507	380,000	356,000	1,011,000
Permits	463,862	366,515	615,175	393,650
Fines and Forfeitures	789,854	977,350	854,500	911,288
Charges for Services	5,202,793	5,783,347	6,201,172	6,038,160
Intergovernmental	7,647,823	7,681,080	7,882,350	7,874,250
Investment Income	11,380	-	12,400	2,000
Miscellaneous	620,172	337,000	326,370	328,350
Total Revenues	<u>22,373,188</u>	<u>22,068,352</u>	<u>22,941,712</u>	<u>23,709,660</u>
Other Sources:				
Proceeds from Borrowings				
Transfers	500,000	1,394,509	394,509	-
Total Other Sources	<u>500,000</u>	<u>1,394,509</u>	<u>394,509</u>	<u>-</u>
Total Revenues and Other Sources	<u>22,873,188</u>	<u>23,462,861</u>	<u>23,336,221</u>	<u>23,709,660</u>
Resources Available to Budget	26,330,430	26,757,495	27,113,692	27,734,905
Expenditures:				
Undefined - Prior Period Adjustment		-	-	-
Personnel Services	17,443,183	17,627,716	17,765,499	18,484,978
Contractual Services	3,891,158	4,651,146	4,391,655	4,338,539
Commodities	353,698	563,813	483,473	485,674
Total Operations and Maintenance	<u>21,688,039</u>	<u>22,842,675</u>	<u>22,640,627</u>	<u>23,309,191</u>
Capital	260,118	387,265	341,820	649,923
Debt Services	263,288	-	-	-
Contingency	341,514	106,262	106,000	250,000
Total Expenditures and Other Uses	<u>22,552,959</u>	<u>23,336,202</u>	<u>23,088,447</u>	<u>24,209,114</u>
Fund Balance, April 30th	3,777,471	3,421,293	4,025,245	3,525,791
Fund Balance as a Percent of Expenditures and Other Uses	16.75%	14.66%	17.43%	14.56%

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes. The Village of Lake Zurich uses four Special Revenue Funds.



Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Motor Fuel Tax Special Revenue Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	116,101	62,587	392,967	261,022
Revenues:				
Taxes	515,981	512,000	600,000	537,100
Investment Income	651	-	1,900	1,900
Total Revenues	<u>516,632</u>	<u>512,000</u>	<u>601,900</u>	<u>539,000</u>
Other Sources:				
Budget Authority Carried Forward	-	311,945	-	-
Total Other Sources	<u>-</u>	<u>311,945</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>516,632</u>	<u>823,945</u>	<u>601,900</u>	<u>539,000</u>
Resources Available to Budget	632,733	886,532	994,867	800,022
Expenditures:				
Contractual Services	57,610	30,000	-	209,000
Commodities	-	189,000	87,870	130,000
Total Operations and Maintenance	<u>57,610</u>	<u>219,000</u>	<u>87,870</u>	<u>339,000</u>
Capital	182,156	662,945	645,975	-
Total Expenditures	<u>239,766</u>	<u>881,945</u>	<u>733,845</u>	<u>339,000</u>
Other Uses:				
Transfers	-	-	-	200,000
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total Expenditures and Other Uses	<u>239,766</u>	<u>881,945</u>	<u>733,845</u>	<u>539,000</u>
Fund Balance, April 30th	392,967	4,587	261,022	261,022

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Hotel/Motel Tax Special Revenue Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	1,596	65,896	59,488	123,788
Revenues:				
Taxes	57,892	64,300	64,300	65,000
Total Revenues	57,892	64,300	64,300	65,000
Total Revenues and Other Sources	57,892	64,300	64,300	65,000
Resources Available to Budget	59,488	130,196	123,788	188,788
Expenditures:				
Contractual Services	-	-	-	46,200
Commodities	-	-	-	1,900
Total Operations and Maintenance	-	-	-	48,100
Total Expenditures and Other Uses	-	-	-	48,100
Fund Balance, April 30th	59,488	130,196	123,788	140,688

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Non-Home Rule Sales Tax Special Revenue Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	-	-	-	-
Revenues:				
Taxes	-	-	-	1,700,000
Total Revenues	-	-	-	1,700,000
Other Sources:				
Transfers	-	-	-	-
Total Other Sources	-	-	-	-
Total Revenues and Other Sources	-	-	-	1,700,000
Resources Available to Budget	-	-	-	1,700,000
Expenditures:				
Personnel Services	-	-	-	793,437
Contractual Services	-	-	-	378,265
Commodities	-	-	-	71,888
Total Operations and Maintenance	-	-	-	1,243,590
Capital	-	-	-	157,504
Total Expenditures	-	-	-	1,401,094
Other Uses:				
Transfers	-	-	-	298,906
Total Other Uses	-	-	-	298,906
Total Expenditures and Other Uses	-	-	-	1,700,000
Fund Balance, April 30th	-	-	-	-

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Special Tax Allocation Special Revenue Fund (TIF Fund) by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	99,916	567,423	99,916	(37,304)
Revenues:				
Taxes	1,498,430	1,942,000	1,480,510	1,524,925
Intergovernmental	-	-	1,000	1,270,000
Investment Income	501	-	70	-
Miscellaneous	123,056	110,676	110,000	129,576
Total Revenues	<u>1,621,987</u>	<u>2,052,676</u>	<u>1,591,580</u>	<u>2,924,501</u>
Other Sources:				
Proceeds from Borrowings	-	440,000	-	-
Transfers	-	406,379	846,379	-
Total Other Sources	<u>-</u>	<u>846,379</u>	<u>846,379</u>	<u>-</u>
Total Revenues and Other Sources	<u>1,621,987</u>	<u>2,899,055</u>	<u>2,437,959</u>	<u>2,924,501</u>
Resources Available to Budget	1,721,903	3,466,478	2,537,875	2,887,197
Expenditures:				
Personnel Services	543	118,241	117,287	90,131
Contractual Services	742,725	832,025	794,885	903,115
Commodities	3,076	9,000	500	13,000
Total Operations and Maintenance	<u>746,344</u>	<u>959,266</u>	<u>912,672</u>	<u>1,006,246</u>
Other Uses:				
Transfers	875,643	1,510,507	1,662,507	1,003,290
Total Other Uses	<u>875,643</u>	<u>1,510,507</u>	<u>1,662,507</u>	<u>1,003,290</u>
Total Expenditures and Other Uses	<u>1,621,987</u>	<u>2,469,773</u>	<u>2,575,179</u>	<u>2,009,536</u>
Fund Balance, April 30th	99,916	996,705	(37,304)	877,661

Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal and interest. The Village of Lake Zurich uses two Debt Service Funds



Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Village Debt Service Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	259,632	288,440	287,744	286,542
Revenues:				
Taxes	1,113,654	952,701	961,886	996,912
Investment Income	527	-	500	7,500
Total Revenues	<u>1,114,181</u>	<u>952,701</u>	<u>962,386</u>	<u>1,004,412</u>
Total Revenues and Other Sources	<u>1,114,181</u>	<u>952,701</u>	<u>962,386</u>	<u>1,004,412</u>
Resources Available to Budget	1,373,813	1,241,141	1,250,130	1,290,954
Expenditures:				
Contractual Services	800	600	600	600
Total Operations and Maintenance	<u>800</u>	<u>600</u>	<u>600</u>	<u>600</u>
Debt Services	<u>1,085,269</u>	<u>962,988</u>	<u>962,988</u>	<u>996,912</u>
Total Expenditures and Other Uses	<u>1,086,069</u>	<u>963,588</u>	<u>963,588</u>	<u>997,512</u>
Fund Balance, April 30th	287,744	277,553	286,542	293,442

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Special Tax Allocation Debt Service Fund (TIF Fund) by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	594,567	-	589,761	598,332
Revenues:				
Investment Income	2,997	-	12,000	10,000
Total Revenues	2,997	-	12,000	10,000
Other Sources:				
Proceeds from Borrowings		-	436,600	463,032
Transfers	794,254	829,625	541,625	543,290
Total Other Sources	794,254	829,625	978,225	1,006,322
Total Revenues and Other Sources	797,251	829,625	990,225	1,016,322
Resources Available to Budget	1,391,818	829,625	1,579,986	1,614,654
Expenditures:				
Contractual Services	3,187	2,400	3,200	3,200
Total Operations and Maintenance	3,187	2,400	3,200	3,200
Debt Services	798,870	827,225	978,454	1,013,122
Total Expenditures	802,057	829,625	981,654	1,016,322
Total Expenditures and Other Uses	802,057	829,625	981,654	1,016,322
Fund Balance, April 30th	589,761	-	598,332	598,332

Capital Projects Funds

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 proprietary and trust funds. The Village of Lake Zurich uses two Capital Projects Funds.



Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Village Capital Project Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	164,395	2,027,161	2,110,899	2,921,477
Revenues:				
Taxes	-	1,125,000	1,125,000	450,000
Intergovernmental	210,443	-	-	1,241,508
Investment Income	3,056	-	15,900	-
Miscellaneous	1,960,000	-	78,000	-
Total Revenues	<u>2,173,499</u>	<u>1,125,000</u>	<u>1,218,900</u>	<u>1,691,508</u>
Other Sources:				
Transfers	-	-	-	498,906
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,906</u>
Total Revenues and Other Sources	<u>2,173,499</u>	<u>1,125,000</u>	<u>1,218,900</u>	<u>2,190,414</u>
Resources Available to Budget	2,337,894	3,152,161	3,329,799	5,111,891
Expenditures:				
Contractual Services	-	110,000	71,322	-
Total Operations and Maintenance	-	110,000	71,322	-
Capital	226,995	578,000	-	3,583,414
Total Expenditures	<u>226,995</u>	<u>688,000</u>	<u>71,322</u>	<u>3,583,414</u>
Other Uses:				
Transfers	-	837,000	337,000	-
Total Other Uses	<u>-</u>	<u>837,000</u>	<u>337,000</u>	<u>-</u>
Total Expenditures and Other Uses	<u>226,995</u>	<u>1,525,000</u>	<u>408,322</u>	<u>3,583,414</u>
Fund Balance, April 30th	2,110,899	1,627,161	2,921,477	1,528,477

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Park Improvement Capital Project Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	307,092	824,978	788,872	825,080
Revenues:				
Intergovernmental	998,922	10,000	-	-
Investment Income	4,298	-	2,500	2,500
Miscellaneous	100,500	-	50,000	-
Total Revenues	<u>1,103,720</u>	<u>10,000</u>	<u>52,500</u>	<u>2,500</u>
Total Revenues and Other Sources	<u>1,103,720</u>	<u>10,000</u>	<u>52,500</u>	<u>2,500</u>
Resources Available to Budget	1,410,812	834,978	841,372	827,580
Expenditures:				
Capital	621,940	358,000	16,292	183,000
Total Expenditures	<u>621,940</u>	<u>358,000</u>	<u>16,292</u>	<u>183,000</u>
Total Expenditures and Other Uses	<u>621,940</u>	<u>358,000</u>	<u>16,292</u>	<u>183,000</u>
Fund Balance, April 30th	788,872	476,978	825,080	644,580

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance
2011 - 2012 Budget

Special Tax Allocation Capital Projects Fund (TIF Fund) by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Fund Balance, May 1st	13,056,280	12,075,395	11,965,749	12,120,150
Revenues:				
Intergovernmental	-	400,000	-	-
Investment Income	1,748	-	5,800	3,500
Total Revenues	1,748	400,000	5,800	3,500
Other Sources:				
Transfers	81,389	274,503	274,503	460,000
Total Other Sources	81,389	274,503	274,503	460,000
Total Revenues and Other Sources	83,137	674,503	280,303	463,500
Resources Available to Budget	13,139,417	12,749,898	12,246,052	12,583,650
Expenditures:				
Capital	1,173,668	400,000	125,902	463,500
Total Expenditures	1,173,668	400,000	125,902	463,500
Total Expenditures and Other Uses	1,173,668	400,000	125,902	463,500
Fund Balance, April 30th	11,965,749	12,349,898	12,120,150	12,120,150

Enterprise Fund

Enterprise funds are used to report on activity for which a fee is charged to external users for goods or services. The Village of Lake Zurich uses one Enterprise fund.



Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Working Capital
2011 - 2012 Budget

Water and Sewer Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Working Capital, May 1st	2,589,566	1,693,142	2,346,404	1,568,711
Revenues:				
Taxes	11,719	11,718	-	-
Charges for Services	4,382,040	4,837,615	3,933,748	4,998,316
Intergovernmental	77,400	521,000	-	471,000
Investment Income	6,981	10,000	4,200	3,000
Miscellaneous	609	8,000	-	-
Total Revenues	<u>4,478,749</u>	<u>5,388,333</u>	<u>3,937,948</u>	<u>5,472,316</u>
Other Sources:				
Proceeds from Borrowings	57,877	-	-	-
Total Other Sources	<u>57,877</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>4,536,626</u>	<u>5,388,333</u>	<u>3,937,948</u>	<u>5,472,316</u>
Resources Available to Budget	7,126,192	7,081,475	6,284,352	7,041,027
Expenditures:				
Personnel Services	1,630,346	1,714,528	1,499,010	1,711,027
Contractual Services	1,205,344	1,383,846	1,736,756	1,328,000
Commodities	225,916	521,115	423,312	341,018
Total Operations and Maintenance	<u>3,061,606</u>	<u>3,619,489</u>	<u>3,659,078</u>	<u>3,380,045</u>
Capital	219,501	688,000	62,610	964,400
Debt Services	998,681	991,894	993,953	1,011,895
Total Expenditures	<u>4,279,788</u>	<u>5,299,383</u>	<u>4,715,641</u>	<u>5,356,340</u>
Other Uses:				
Transfers	500,000	500,000	-	-
Total Other Uses	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>4,779,788</u>	<u>5,799,383</u>	<u>4,715,641</u>	<u>5,356,340</u>
Working Capital, April 30th	2,346,404	1,282,092	1,568,711	1,684,687

Internal Service Funds

Internal Service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost recovery basis. The Village of Lake Zurich utilizes three Internal Service Funds.

Medical Insurance Fund

Vehicle Maintenance Fund

Risk Management Insurance Fund



Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Working Capital
2011 - 2012 Budget

Medical Insurance Internal Service Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Working Capital, May 1st	-	18,481	3,950	5,864
Revenues:				
Charges for Services	<u>2,163,946</u>	<u>2,900,070</u>	<u>2,548,914</u>	<u>2,754,802</u>
Total Revenues	<u>2,163,946</u>	<u>2,900,070</u>	<u>2,548,914</u>	<u>2,754,802</u>
Other Sources:				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,774</u>
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,774</u>
Total Revenues and Other Sources	<u>2,163,946</u>	<u>2,900,070</u>	<u>2,548,914</u>	<u>2,816,576</u>
Resources Available to Budget	2,163,946	2,918,551	2,552,864	2,822,440
Expenditures:				
Contractual Services	<u>2,159,996</u>	<u>2,757,200</u>	<u>2,547,000</u>	<u>2,816,576</u>
Total Expenditures and Other Uses	<u>2,159,996</u>	<u>2,757,200</u>	<u>2,547,000</u>	<u>2,816,576</u>
Working Capital, April 30th	3,950	161,351	5,864	5,864

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Working Capital
2011 - 2012 Budget

Vehicle Maintenance Internal Service Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Working Capital, May 1st	(144,437)	(87,803)	(145,616)	(168,223)
Revenues:				
Charges for Services	780,973	883,848	850,000	978,720
Intergovernmental	87,715	105,000	100,000	111,700
Total Revenues	<u>868,688</u>	<u>988,848</u>	<u>950,000</u>	<u>1,090,420</u>
Total Revenues and Other Sources	<u>868,688</u>	<u>988,848</u>	<u>950,000</u>	<u>1,090,420</u>
Resources Available to Budget	724,251	901,045	804,384	922,197
Expenditures:				
Personnel Services	299,513	318,881	316,393	323,893
Contractual Services	109,628	136,764	136,514	124,427
Commodities	460,726	540,400	519,700	588,500
Total Operations and Maintenance	<u>869,867</u>	<u>996,045</u>	<u>972,607</u>	<u>1,036,820</u>
Capital Outlay	-	-	-	53,600
Total Expenditures	<u>869,867</u>	<u>996,045</u>	<u>972,607</u>	<u>1,090,420</u>
Total Expenditures and Other Uses	<u>869,867</u>	<u>996,045</u>	<u>972,607</u>	<u>1,090,420</u>
Working Capital, April 30th	(145,616)	(95,000)	(168,223)	(168,223)

Village of Lake Zurich, Illinois
Schedule of Revenues, Expenditures and Changes in Working Capital
2011 - 2012 Budget

Risk Management Internal Service Fund by Major Category

	2009 - 2010	2010 - 2011		2011 - 2012
	Actual	Budget	Projected	Approved
Working Capital, May 1st	(149,349)	377,735	(149,349)	(5,145)
Revenues:				
Charges for Services	866,976	1,037,509	1,090,503	1,010,000
Total Revenues	866,976	1,037,509	1,090,503	1,010,000
Total Revenues and Other Sources	866,976	1,037,509	1,090,503	1,010,000
Resources Available to Budget	717,627	1,415,244	941,154	1,004,855
Expenditures:				
Personnel Services	25,328	106,404	68,790	104,912
Contractual Services	841,648	820,000	820,000	820,000
Commodities	-	-	-	-
Total Operations and Maintenance	866,976	926,404	888,790	924,912
Other Uses:				
Transfers	-	57,509	57,509	61,774
Total Other Uses	-	57,509	57,509	61,774
Total Expenditures and Other Uses	866,976	983,913	946,299	986,686
Working Capital, April 30th	(149,349)	431,331	(5,145)	18,169

III. Departments

General Government / Legislative

Village Administration



Building and Zoning

Park and Recreation

GENERAL GOVERNMENT / LEGISLATIVE

The General Government / Legislative category consists of elected and appointed boards and committees that are responsible for establishing and setting policy for the Village. The elected officials are aided by recommendations from advisory boards and commissions as well as staff. Contributions and membership fees for intergovernmental bodies are included in this category.

Costs associated with the hearings for the Plan Commission and Zoning Board of Appeals are included here. The Board of Fire and Police Commission has the task of testing, hiring, and promoting the police and fire-sworn personnel as outlined in Illinois Compiled Statutes and those costs are include here as well. Other boards and commissions are the Park and Recreation Advisory Board, Zoning Board of Appeals, Community and Police Advisory Committee, and the Tree Commission.

There are no full-time positions under General Government / Legislative category. The part-time positions include elected officials of the Village; the Village President, six Trustees, and the Village Clerk who serve four-year overlapping terms. A part time recording secretary is also retained. Full-time personnel support is a portion of the time for full-time staff in the administration area to assist the boards, commissions and elected officials.

VILLAGE ADMINISTRATION

The Office of the Village Administrator is principally responsible for the management of all day to day operations and services provided by all Village Departments. As the chief administrative officer, the Village Administrator is charged with the implementation of programs and projects which support the overall vision, goals and strategies established by the President and Village Board. The administrator is also responsible for enforcement of the Village Municipal Code. The Human Resources Division oversees all matters related to personnel management and labor relations issues representing the entire workforce. The Human Resource Division also handles all employee benefit programs, management of workers' compensation claims, recruitment/promotions, union contract matters, and employee grievances. The Human Resource Division assures that the Village adheres to all State and Federal labor laws. In addition, the Administrator coordinates the work of the Village Attorney's Office and Special Counsel as needed, in a manner to ensure that the legal interests of the Village are protected. Administration supervises and approves content for the official Village website. All residential and business inquiries are resolved, as well as economic development issues, including the TIF property management matters to benefit the community.

In addition to the duties and responsibilities of the Administration, the Administrator's Office provides full time support to the elected President and Village Clerk in meeting the statutory and municipal code requirements of these elective offices. In particular, this office prepares and collects agenda information, reports, and materials for all Village Board meetings. Any matters related to liquor licensing on behalf of the Village President, Liquor Commissioner, are issued by this office.

The Village Clerk duties are handled in Administration on a daily basis. Specifically, all official records of the Village are managed by Administration as the Executive Assistant is the Records Management Officer. Administration oversees all matters related to local elections and Freedom of Information Act requests. All public meeting and legal notices for boards and commissions are prepared and published by this office. Lastly, all Village notary and registrar services are coordinated by the Deputy Village Clerk.

Five full time employees are staffed in the Administrator's Office. Fiscal Year 2012 sees the addition of one full-time position: Assistant to the Village Administrator. Additionally, the Personnel Assistant position has been reclassified as Human Resources Assistant. An MPA Candidate Intern also supports the administrative function on a part-time basis.

Department Workplan

Strategic Goal 1: Ensure the long-term sustainability of the Village

Objective 3: Utilize up-to-date best practices and policies.

- Strategy 1: Restructure and reorganize the administration to achieve optimal efficiencies and effectiveness in relationship to all operating departments.
 - Investigate and evaluate alternative Performance Monitoring Plan (PMP) systems available for local governments best suited for implementation in the Village.
- Strategy 2: Ensure that all employee positions and job descriptions are relevant to current organizational and community service delivery needs.
 - Working with the executive management team, examine existing positions and job descriptions relative to each department's service

community delivery needs.

- Strategy 3: Ensure that all full-time employees are evaluated at least once annually in accordance with the Employee Handbook.
 - Develop standard operating procedures to conduct full-time employee annual performance evaluations relative to job descriptions and the strategic management plan strategies, programs and projects.
- Strategy 4: Design a staff development and training system to educate and retain a dedicated professional staff.
 - Assess the educational needs of the entire organization and develop a cost effective staff development system for implementation.
- Strategy 5: Develop an Employee Relations Program.
 - Establish an employee relations committee that shall be charged with developing strategies to improve employee relations and to conduct an annual employee satisfaction survey.

Objective 4: Attain fiscal balance and sustainability.

- Strategy 1: Improve the Village's risk management program.
 - The executive safety committee shall conduct an analysis of current risk and liabilities in all operating departments to decrease exposure and further reduce insurance losses.

Strategic Goal 2: Provide Community-Focused Municipal Services

Objective 2: Deliver Village services efficiently and effectively.

- Strategy 1: Develop appropriate customer satisfaction measurement tools to ascertain service delivery performance for all departments.
 - Identify various local government customer satisfaction measurement tools that can be utilized on a department-wide and organizational-wide level to gather customer feedback in order to provide better information for the service delivery decision-making process.

Strategic Goal 3: Facilitate Informed Decision-Making

Objective 3: Promote interactive communication throughout the organization.

- Strategy 1: Establish a formal internal communications policy.
 - Investigate and evaluate best practice communication models for local governments and develop a new communication policy affecting all employees, appointees and elected officials.

Strategic Goal 4: Adhere to Ethical Behavior in all Government Operations

Objective 1: Comply with all contractual obligations and government regulations.

- Strategy 1: Establish a formal ethics policy for implementation organization wide affecting all employees, appointees and elected officials.
 - Review State of Illinois and Federal ethics policy mandates and recommended guidelines and examine existing model ethics policies in other local jurisdictions to develop a policy for use in the Village.

Objective 2: Foster active stakeholder participation in government.

- Strategy 1: Build quality relationships with all community stakeholders to improve intragovernmental and intergovernmental relations.
 - Evaluate and reassess current administrative structure and systems to improve internal and external communications and to enhance public outreach and community relations.

Full Time Positions	2010	2011	2012
Village Administrator	1.00	1.00	1.00
Asst. Village Admin.	-	0.75	1.00
Asst. to the Village Admin.	-	-	1.00
Executive Assistant	1.00	1.00	1.00
Human Resources Assistant	-	-	1.00
Human Resources Manager	1.00	-	-
Personnel Assistant	1.00	1.00	-
Total	4.00	3.75	5.00

Expenditure by Fund	2010 Actual	2011 Budget	2011 Projected	2012 Adopted
General Fund	553,013	450,202	413,161	478,135
TIF Allocation Fund	577,498	805,785	781,699	842,115
Total	1,130,511	1,255,987	1,194,860	1,320,250

FINANCE DEPARTMENT

The Finance Department, in support of the Village's Mission, based upon the goals and objectives established by the Board of Trustees, are stewards of the community's financial resources. The department is dedicated to providing responsive, ethical and professional support which enables the Village to maintain the level of services our citizens deserve.

The Department is lead by a professional Finance Director and is supported with other professional and clerical level positions. Financial functions include payroll, accounts payable/purchasing, utility and miscellaneous billing, cashiering/receptionist and accounting. The MIS division is responsible for over 100 desktop computers, 12 servers and a wireless technology infrastructure. The Director is the Village Treasurer as well as the Treasurer of both the Police and Firefighter Pension Funds.

Department Workplan

Strategic Goal 1: Ensure the long-term sustainability of the Village

Objective 3: Utilize up-to-date best practices and policies.

- Strategy 1: Develop broad based fiscal policies that provide for financial stability and strengthen internal controls.
 - Research and develop solid fiscal policies to address Debt Management, Public Procurement and General Revenues for consideration and adoption by the Village Board of Trustees.
- Strategy 2: Develop standard operating guidelines based on fiscal best practices and policies.
 - Research, develop and implement Accounts Receivable, Accounts Payable and Cash handling control guidelines.

Strategic Goal 3: Facilitate Informed Decision Making

Objective 1: Provide timely, relevant and high quality information and analysis.

- Strategy 1: Explore available alternative to existing Information Technology operations and systems.
 - In coordination with a consultant prepare a strategic long-term Information Technology plan.
- Strategy 2: Improve efficiency by the use of Information Technology.
 - Evaluate and complete ADI interface with Evolution Payroll system.
 - Evaluate and implement online water and sewer billing payments.
- Strategy 3: Complete processes that allow for the most up-to-date information to be reflected accurately in a timely manner.
 - Develop a general ledger account structure that facilitates financial reporting.
 - Develop standard monthly revenue, expenditure, and budget reports.
 - Develop timely CAFR's and Budget documents that adhere to GAAP and qualify for GFOA awards for Excellence in Reporting and Distinguished Budget Presentation.
- Strategy 4: Accurately allocate general government and administrative expenses across all funds.
 - Contract with a vendor to analyze the Village's financial operations in order to develop a Village-Wide Direct and Indirect Cost Allocation Model.

Full Time Positions	2010	2011	2012
Finance Director/Treasurer	1.00	1.00	1.00
Asst. Finance Director	1.00	1.00	1.00
Accountant	-	0.75	1.00
Purchasing Coordinator	-	1.00	1.00
Accounts Receivable Clerk	1.00	1.00	1.00
Management Analyst	-	0.75	-
Accounts Payable Clerk	1.00	-	-
Accounting Assistant	1.00	-	-
Network Administrator	1.00	1.00	1.00
MIS Assistant	1.00	1.00	1.00
Total	7.00	7.50	7.00

POLICE DEPARTMENT

The Lake Zurich Police Department provides professional law enforcement services to the Village residents and the general public including: Traffic crash investigation and reporting, routine and specialized traffic enforcement, crime prevention initiatives, investigation of criminal activity and subsequent prosecution of offenders, lake patrol/marine unit, active participation with intergovernmental specialized emergency response organizations and a regional drug enforcement agency, management of police records, high school resource officer assignment, coordination of the school crossing guard program, patrol of Village streets, bicycle officer patrol, supervision of Explorer activities, and conducting senior citizen notification during severe weather.

The Communications Center provides a full array of public safety dispatch services to all Village Departments, as well as to the neighboring communities of Kildeer, Deer Park and Hawthorn Woods under an annual compensatory agreement. The Dispatch Center is an emergency primary answering point for North Barrington, Forest Lake, Echo Lake, and other unincorporated areas. Staffing levels remain similar to FY 2011.

Department Workplan

Strategic Goal 2: Provide Community-Focused Municipal Services

Objective 2: Deliver Village services efficiently and effectively

- Strategy 1: Investigate the Feasibility of Providing Contract Policing Services to Contiguous Municipal Entities.
 - Conduct a staff study to determine if endeavor is feasible and identify the changes that will be needed to fulfill obligation. This would include maintaining an organizational structure that allows for the direction of personnel delivering such services with the purpose of achieving an economy of scale.
 - Develop Request for Quote to identify consultant to conduct study to determine issues related to providing services to other interested municipal entities. This would include reviewing both efficiency and fiscal impacts.
 - Develop Intergovernmental Agreement for providing such services.
 - Modify Fire and Police Commission Rules to allow for waiving portions of entry test for current service personnel.
- Strategy 2: Develop a Train-the-Trainer/Career Development Program for Supervisory and Management personnel.
 - Identify and assign personnel from supervisory and management ranks to participate in Career Development program based on skills, knowledge, and abilities as they related to potential future assignment. Assign Command Staff member to mentor identified personnel.
 - Personnel completing assigned training will be required to prepare a lesson plan and outlines to present training to Department personnel.

Strategic Goal 4: Adhere to Ethical Behavior in all Government Operations

Objective 1: Comply with all contractual obligations and government regulations.

- Strategy 1: Prepare an Annual Report provided to the Village Administrator that provides compliance status of the various Regulations and Standards.

- Review the Commission for the Accreditation of Law Enforcement Agencies, Inc. standards and insure that all necessary reports (incident, monthly, quarterly, annually, biennially, and triennially) are produced as required.
- Annually, review the Intergovernmental Risk Management Agency requirements to ensure compliance.
- Review the requirements for Municipal Lock-ups as provided in the Illinois Administrative Code and ensure Department practices are in compliance with all applicable standards.
- Review Illinois Department of Labor, Occupational Safety and Health Administration, and National Institute of Occupational Health and Safety regulations to ensure compliance with all applicable standards.
- Ensure compliance with the Administrative Code regarding the Law Enforcement Agencies Data System (LEADS) operation.
- Submit report in compliance with the requirements of the Illinois Vehicle Code as it pertains to the Racial Profiling Data provided to the Illinois Department of Transportation.
- Ensure compliance with applicable requirements of the Illinois Law Enforcement Training and Standard Board.

Full Time Positions	2010	2011	2012
Police Chief	1.00	1.00	1.00
Deputy Police Chief	1.00	2.00	2.00
Office Manager	1.00	1.00	1.00
Commander	3.00	3.00	3.00
Police Sergeant	6.00	5.00	5.00
Police Officer	25.00	24.50	25.00
Community Service Officer	2.00	1.50	1.00
Communications Director	1.00	1.00	1.00
Communications Supervisor	1.00	1.00	1.00
Telecommunicator	11.00	10.00	10.00
Records Supervisor	1.00	1.00	1.00
Records Clerk	2.00	2.00	2.00
Total	55.00	53.00	53.00

Fire / Rescue Department

The Lake Zurich Fire-Rescue Department provides full-service, professional, efficient, and cost-effective services to the Village residents which include;

- Disaster management
- Fire suppression
- Advanced Life Support emergency medical care and transportation
- Hazardous materials/chemical-biological mitigation
- Underwater/ice rescue/recovery
- Confined space rescue
- Fire alarm activations, carbon monoxide alarms & residential lock-outs
- Trench rescue
- High angle rescue
- Structural collapse
- Fire prevention and education
- Plan review for new construction
- Life safety inspection service

Through a service agreement, the Village of Lake Zurich provides these same services to the Lake Zurich Rural Fire Protection District. This service agreement supports the cost of roughly 49% of the estimated FY2012 Budget or \$4.7 million. The combined service area of the Fire/Rescue Department covers approximately 25 square miles and 40,000 residents. During calendar year 2010, the Fire/Rescue Department responded to 3136 fire/rescue service calls. These programs and services are provided by 60 personnel operating out of four strategically located fire stations.

Department Workplan

Strategic Goal 1: Ensure the long-term sustainability of the Village

Objective 1: Ensure the maintenance of the Village's capital assets and infrastructure through systematic planning processes.

- Strategy 1: Update our capital asset maintenance & replacement policy and plan.
 - Update the comprehensive capital asset replacement plan and depreciation schedule in conjunction with Public Works.
 - Determine the type and specifications for capital assets required to provide current and future approved service levels.
 - Establish maintenance schedules and service agreements to maintain critical assets.

Objective 2: Promote the overall development/redevelopment of the community

- Strategy 1: Enhance quality plan review and inspectional services.
 - Expand use of current technology to schedule, track, monitor, and share information amongst departments as it relates to Village projects.
 - Train all personnel to the levels required to gain the knowledge, experience and customer service skills required/expected of the position.
 - Develop plans for a Community Development Facility (one-stop-shop) consisting of all community development departments in order to consolidate and expedite processes and improve customer service.
 - Develop a customer satisfaction survey to deliver at time of certificate of occupancy rating the various processes & personnel.

Objective 3: Utilize up-to-date best practices and policies

- Strategy 1: Review & Compare Village standards, procedures and policies and

benchmark against current and future best practices.

- Investigate the feasibility of National Accreditation Program for the Fire and EMS Programs.
- Develop a Hearing Conservation Program to protect employees while operating Village emergency response apparatus and tools (fire & EMS).
- Incorporate enhanced in-vehicle communications equipment with Hearing Protection Conservation Program to provide both better communications and hearing protection.

Objective 4: Attain fiscal balance and sustainability.

- Strategy 1: Investigate consolidation and regionalization opportunities for reduced shared cost approach.
 - Research and assess viability of consolidating Village & Lake Zurich Rural Fire Protection District along with possible mergers with adjoining fire districts.

Strategic Goal 2: Provide Community-Focused Municipal Services

Objective 1: Tailor service delivery to the needs of the community.

- Strategy 1: Enhance public awareness and information through community outreach programs.
 - Evaluate and expand public education programming for the community (schools, seniors, employees, businesses, industrial, civic).

Objective 2: Deliver Village services efficiently and effectively.

- Strategy 1: Continue to evaluate the fire, rescue and EMA services provided to the community against national standards, guidelines, best practices and lessons learned.
 - Evaluate the EMS transport services at Station #1.
- Strategy 2: Maximize the quality of Village services based on available financial resources and strategic prioritization.
 - Review/modify and adjust as appropriate the Lake Zurich Rural Fire Protection District and Village Service Agreement as it relates to a fair shared approach.

Strategic Goal 3: Facilitate Informed Decision-Making

Objective 1: Provide timely, relevant, and high-quality information and analysis

- Strategy 1: Utilize available information technologies to keep residents informed on emergency situations and other notifications.
 - Enhance Village/department presence on the Village website for posting of informational items and/or specific directions.
- Strategy 2: Partner with local homeowner groups, businesses, industrial, educational, civic, athletic groups with sharing and distributing informational items via links to web sites and contact lists.
 - Improve citizen/group outreach programs in the community.

Strategic Goal 4: Adhere to Ethical Behavior in all Government Operations

Objective 1: Comply with all contractual obligations and government regulations.

- Strategy 1: Refer to Purchasing Manual to ensure all local, State and Federal regulations are followed in the purchase of goods or services.
 - Prepare bid specifications for replacement Ambulance following NFPA & IDPH Standards.
 - Prepare bid specification for Hearing Conservation Equipment following

- IDOL, NFPA & OSHA Standards.
- Strategy 2: Negotiate Collective Bargaining Agreement with Local 3191 to replace CBA that expires on April 30, 2011.
 - Subject to CBA ratification, conduct labor/management meeting to roll out the new CBA.

Full Time Positions	2010	2011	2012
Fire Chief	1.00	1.00	1.00
Deputy Fire Chief	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00
Asst. Fire Marshall	1.00	1.00	1.00
Fire Inspector	3.00	3.00	3.00
Fire Captain	4.00	5.00	5.00
Fire Lieutenant	12.00	12.00	12.00
Firefighter/Paramedic	36.00	35.00	36.00
EMS Coordinator	1.00	-	-
Administrative Assistant	1.00	0.50	-
Total	61.00	59.50	60.00

Public Works Department

The Public Works Department is the largest cost center in the Village. It consists of five divisions and operates over nine funds.

Department Workplan

Strategic Goal 1: Ensure the long-term sustainability of the Village

Objective 1: Ensure the maintenance of the Village's capital assets and infrastructure through systematic planning processes.

- Strategy 1: Continue implementation of the 20 year Annual Road Resurfacing Plan to assure the Village streets are maintained to a safe and aesthetic standard.
 - Execute 2011-12 Pavement Maintenance Contract.
 - Execute annual crack sealing contract.
 - Execute annual pavement striping contract.
 - Execute annual landscape contract.
 - Perform in-house maintenance on streets including pavement patching and concrete repairs as necessary to maintain the street integrity and prevent roadway hazards.
- Strategy 2: Continue sidewalk inventory program.
 - Field inspect one-third of Village and update database.
 - Repair damaged and unsafe sidewalks.
- Strategy 3: Continue to update annually the ten-year equipment replacement plan for all department vehicles and equipment.
 - Competitively purchase equipment and vehicles in accordance with the replacement plan.
 - Prep all vehicles and equipment for inclusion into the fleet.
 - Surplus all vehicles and equipment replaced.
 - Perform routine maintenance on all vehicles and equipment to prolong life and reduce costs.
- Strategy 4: Develop a comprehensive Village wide storm water management plan.
 - Prepare RFQ for stormwater consultant to assess Village to develop long range storm water improvement plan.
 - Execute recommendations from Consultant for wetland maintenance and expand program to other areas.
 - Purchase new trash pumps for flooding emergencies and system maintenance.
- Strategy 5: Finalize 20-year Utility Infrastructure Improvement Plan.
 - Use maintenance records and 20 year annual road resurfacing to identify sewer and water mains that are in need of replacement and schedule so as to coincide with road resurfacing projects.
 - Perform annual well maintenance in accordance with schedule.
 - Complete replacement of Route 12 Orchard lift force main.
- Strategy 6: Develop long-range plans for water and sanitary services.
 - Work with MPC on Integrated Water Resources Plan.
 - Execute Illinois Green Infrastructure Grant – Rainbarrels.
 - Video interceptor line within Village limits.
 - Attend Lake Michigan Planning Group meeting and fund appropriately.

- Hire consultant to review Lake Michigan Source water alternatives to determine best course of action.
- Strategy 7: Develop Emerald Ash Borer Action Plan.
 - Develop EAB Action Plan to proactively reduce the Village's risk to EAB.
- Objective 2: Promote the overall development/redevelopment of the community
 - Strategy 1: Continue clean-up of downtown Brownfield sites and grant pursuit for funding of same. The Village has been proactively applying for grants and proceeding with the Brownfield remediation of multiple future downtown redevelopment sites.
 - Complete old police building remediation project and submit all paperwork for reimbursement from the Lake County.
 - Investigate and proceed with remediation plans at former Mexico-lindo site.
 - Perform Phase I investigation at Z&E Auto site.
- Objective 3: Utilize up-to-date best practices and policies.
 - Strategy 1: Review Village code and standards against current best practices and future policies.
 - Continue participation in Village code committee to re-write Chapter 10 – Land development code.
 - Develop and incorporate green standards in code and Village standards.
 - Continue CEU training to keep up to date on industry best practices and incorporate into codes and standards.
- Objective 4: Attain fiscal balance and sustainability
 - Strategy 1: Review all grant opportunities.
 - Execute CMAQ grant for South Old Rand Road sidewalk.
 - Execute Route 12 Sanitary Force Main Replacement Grant.
 - Complete Water Systems Improvement Grant (DCEO).
 - Complete Lake County Brownfield Grant.
 - Execute IGIG grant if approved.
 - Execute EAB grant if approved.
 - Apply for Flint Creek/Buffalo Creek Streambank Restoration Grants.
 - Review and apply for other grants as applicable.
 - Strategy 2: Evaluate use of energy resources to minimize fiscal impact.
 - Work with our electrical supply consultant NIMEC to determine supply needs and develop bid package for new multi-year electric supply.

Strategic Goal 2: Provide Community-Focused Municipal Services

- Objective 1: Tailor service delivery to the needs of the community
 - Strategy 1: Continued administration of community wide based programs.
 - Evaluate and administer Mosquito abatement program.
 - Conduct electronics recycling program.
 - Assist SWALCO in planning and conducting household chemical waste event locally.
 - Monitor Waste Management Contract and assist with garbage collection concerns.
 - Strategy 2: Install ADA ramps at various parks to correct deficiencies noted by IRMA and meet new ADA requirements.
 - Construct proper ADA ramps at deficient parks as noted in the IRMA inspection report.

- Perform routine park maintenance on playground safety surfaces to allow for consistent accessibility.
 - Strategy 3: Develop weekly checklists for all parks to assure park safety and proper maintenance is performed to extend equipment life and fully functional.
- Objective 2:** Deliver Village services efficiently and effectively.
- Strategy 1: Improve staffing levels in engineering to increase productivity and permit response times.
 - Hire new civil engineer to assist in expedited plan review process, grants and execution of PW CIP projects.
 - Cross train existing employees for redundancy in positions in case of prolonged absences.
 - Strategy 2: Continue with radio read meter upgrade program.
 - Purchase year four of five year meter upgrade program.
 - Install remaining year 3 meters.
 - Strategy 3: Improve construction inspection process.
 - Implement use of Mobileyes hardware and software to expedite field inspections.
- Objective 3:** Maximize the quality of Village services based on available financial resources and strategic prioritization.
- Strategy 1: Evaluate snow fighting efforts to increase efficiencies and reduce expenditures.
 - Purchase new snow fighting electronic controlled spreader for new truck. These new spreaders increase efficiencies of salt spreading thereby reducing the use of salt on the roadways.
 - Evaluate storm procedures to better utilize anti-icing agents to maximum efficiency thereby reducing dependency on bulk road salt.
 - Strategy 2: Reinstate Village 50/50 parkway tree replacement program.
 - Reinstate 50-50 Tree Replacement program with an emphasis on Ash tree replacement – Breamar Subdivision.

Strategic Goal 3: Facilitate Informed Decision-Making

Objective 1: Provide timely, relevant, and high-quality information and analysis

- Strategy 1: Utilize available information technologies to keep public informed on capital improvement projects that affect transportation and other services.
 - Continue to use Newsline and Village web site to inform the public. With the expanded CIP program based on the new NHRST funding this function will be critical.
- Strategy 2: Continue implementation of CN mitigation measures.
 - Hold public information meetings with stakeholders to determine mitigation measures for each of the affected neighborhoods along the EJ&E Rail.
- Strategy 3: Improve communications with customers during service interruptions of Village water or sewer utilities.
 - Utilize reverse 911 Connect CTY system to advise customers of service interruptions due to water or sewer main breaks.

Objective 2: Utilize results-oriented reporting and evaluation procedures.

- Strategy 1: Maintain electronic request for service system to log all incoming requests for service.
 - Continue to review the request for service database on a regular basis to track all outstanding requests and gauge response time.

- Strategy 2: Continue to maintain and improve employee daily assignment database.
 - Continue to track all daily personnel time by work assigned in order to evaluate our efforts and tracking the different service areas provided to our residents.
- Strategy 3: Monitor expenses for contractual service contracts to minimize unnecessary costs.
 - Implement formal reporting procedures for all contractual service contracts.
 - Use new Purchase Order system in Pentamotion to better track payments to contractors.

Objective 3: Promote interactive communication throughout the organization.

- Strategy 1: Evaluate current communications methods and procedures against new ICC regulations and past issues.
 - Evaluate and Upgrade two-way radio system in vehicles and portables to meet new ICC regulations.
 - Implement Standard Operating Procedure for two-radio communications for line personnel.
- Strategy 2: Implement new Mobileyes hardware and software.
 - Develop initial set of checklists for plan review and small permit inspections to begin using this permitting software.

Objective 4: Foster innovation and ingenuity all levels of municipal operations to allow decision-making responsibility and accountability at the most effective organizational levels.

- Strategy 1: Educate and train staff to maintain required certifications to meet IRMA requirements in order to keep current on new ideas and trends in their respective fields of Public Works.
 - Assure all public works employees are provided with cost effective training opportunities across all levels of public works.

Strategic Goal 4: Adhere to Ethical Behavior in all Government Operations

Objective 1: Comply with all contractual obligations and government regulations

- Strategy 1: Comply with all IEPA requirements in accordance with the safe water drinking act.
 - Revise sampling tap locations that are used to test our water for compliance based on new population projections and use of permanent sampling stations in lieu of residential homes.
 - Conduct required sampling and associated testing to meet IEPA standards.
 - Attend required training to retain proper licenses to remain in compliance.
 - Make repairs and upgrades to water plants and system as necessary to provide quality potable water to our residents.
- Strategy 2: Comply with all Lake County and IEPA requirements for industrial waste monitoring.
 - Continue industrial waste monitoring program as outlined in budget. New environmental quality control supervisor will manage the program.
- Strategy 3: Continue following State Department of Transportation Guidelines on Commercial Drivers License holders.
 - Perform random drug and alcohol testing and training as required by the CDL and Substance abuse guidelines.

- Strategy 4: Implement Year 9 of National Pollution Discharge Elimination Program MS4 Permit.
 - Street sweeping on regular basis.
 - Storm sewer televising and cleaning.
 - Stormwater outlet control structure and pipeline cleaning.
 - Repair or replace of damaged or failed items.
 - Controlled burns to maintain wetlands.
 - Use consultant services to assist in control of invasive species.
 - Submit required documentation as required by our permit on an annual basis.
 - Maintain and utilize necessary commodities to control spills or contamination if found.
 - Purchase new trash pump to allow for cleaning of storm sewer and detention basin maintenance.
 - Mow and maintain detention facilities.
 - Perform public outreach through events such as chamber expo.
 - Remain an active partner in Lake County Stormwater Technical Advisory Committee.
 - Provide staff with continues training to maintain required certifications to remain a certified stormwater community.
- Strategy 5: Meet Federal requirements to maintain status as a Certified Flood community.
 - Certified Flood Plain Managers must attend seminars and training to obtain the required continuing education credit to maintain their licenses.

Objective 2: Foster active stakeholder participation in government.

- Strategy 1: Continue implementation of CN mitigation measures.
 - Hold public information meetings with stakeholders to determine mitigation measures for each of the affected neighborhoods along the EJ&E Railway.
- Strategy 2: Develop long-range potable water source plan – The Village currently obtains its source water from deep wells that require ion-exchange treatment but has received an allocation from the IDNR for Lake Michigan Water.
 - Work with consultant to determine best source of Lake Michigan water.
 - Develop public information materials and hold public meetings on alternatives to prepare for referendum.
- Strategy 3: Develop intergraded Water resource Plan for the long-term sustainability of our water resource in cooperation with MPC.
 - Work with MPC, other agencies and Village stakeholders to perform a water audit for the Village including, potable, sanitary and storm.

Objective 3: Promote openness and transparency in governmental processes.

- Strategy 1: Continue conducting all business practices within the Department in accordance with past and future policy guidelines.
 - Advertise for bids as required by Purchasing Policy.
 - Seek Request for Qualifications for Consultant hired for projects.
 - Prepare documentation for Board and other open meetings.
 - Execute FOIA requests.

Full Time Positions	2010	2011	2012
Administration	5.00	3.00	2.00
General Services Division	17.00	16.50	17.00
Engineering Division	2.00	3.00	3.00
Water/Sewer Utility Division	11.00	10.00	11.00
Fleet Services Division	3.00	3.00	3.00
Total	38.00	35.50	36.00

Expenditure by Fund	2010 Actual	2011 Budget	2011 Projected	2012 Adopted
General Fund	2,925,203	2,853,688	2,688,343	1,769,538
NHRST Fund	-	-	-	1,401,094
Motor Fuel Tax Fund	239,766	881,945	733,845	339,000
TIF Allocation Fund	168,846	153,472	130,973	164,131
Park Improvement Fund	-	-	-	8,500
Water and Sewer Fund	4,279,788	5,299,383	4,715,641	5,356,340
Vehicle Maintenance Fund	869,867	996,045	972,607	1,090,420
Total	8,483,470	10,184,542	9,241,409	10,129,023

Administration Division

The Administration Division of the Public Works Department is responsible for oversight of all Public Works personnel in the four service divisions, coordination with other governmental units, and administration of Village capital projects. Examples of responsibilities include:

- Cooperation with the Solid Waste Agency of Lake County (SWALCO) in programs such as the Residential Waste Oil Collection Program
- Electronics Recycling
- Annual Household chemical waste collection event
- Coordination of Waste Collection with Waste Management
- Coordination of Environmental Mosquito Management Program, including surveillance, monitoring, larval control and catch basic treatments.
- Emergency Repairs Program

Full Time Positions	2010	2011	2012
Public Works Director	1.00	1.00	1.00
Asst. to the Public Works Director	1.00	1.00	1.00
Asst. Director of Public Works	1.00	1.00	-
Administrative Asst.	1.00	-	-
Administrative Analyst	1.00	-	-
Total	5.00	3.00	2.00

General Services Division

The General Services Division has seven primary areas of responsibility. Salaries are pro-rated to each area. The General Services Superintendent manages a staff of 17 employees with training in all programs to provide maximum flexibility in work assignments. In addition to routine maintenance and operations, the division responds to numerous work orders from the public and from other Village departments. The following is a synopsis of the seven programs in the General Services division.

PROGRAM 41 – FORESTRY (4.15% of General Services Budget)

The Forestry Program provides a plan for the maintenance of the Village's urban tree population. The budget encompasses trimming, removal, brush pick-up, and replacement of trees located in Village-owned right-of-ways and parks. The Division also sponsors several tree activities during the year. The Village Arborist uses advanced tree software to manage the nearly 8,000 trees under Village maintenance. Contracted tree trimming is utilized on an annual basis for routine maintenance of parkway trees on a village-wide basis and planned for the following areas this year: Bristol Trails, Cedar Creek, Chestnut Corners and Hunters Creek.

In-house staff tree trimming will be performed throughout the Village for low hanging branches and work order requests. Additionally, Village staff maintains trees at all Village Parks. In early 2011, the Village was informed that the presence of Emerald Ash Borer has been confirmed in Village trees. The Forestry Program is responsible for the creation and implementation of the Village Emerald Ash Borer Plan.

PROGRAM 42 – PARKS MAINTENANCE (8.12% of General Services Budget)

The Parks Maintenance Program is responsible for the maintenance and upkeep of 32 Village parks and park facilities. Major expenditures include routine building maintenance, parking lot maintenance and mosquito abatement. The Parks Maintenance Program also coordinates activities for special events on Village parks.

PROGRAM 43 – MUNICIPAL PROPERTY MAINTENANCE (12.34% of General Services Budget)

The Municipal Property Maintenance Program provides funds for general maintenance as well as the upkeep for Village buildings and public areas, excluding parks. This area has direct responsibility for maintenance of the Village Hall, Police Department, the Public Works Building, Fire Stations 1 and 3 and surrounding properties, including maintenance of all Village-owned downtown properties.

PROGRAM 44- RIGHT-OF-WAY MAINTENANCE (57.44% of General Services Budget)

The Right-of-Way Maintenance program involves repair and maintenance of the village's streets (78.5 street centerline miles) in addition to the maintenance of sidewalks, curbs and gutters, and village owned parking lots, outside of parks facilities. Other functions include, traffic line striping, shoulder repair and street sweeping. New mandates now require the Village to ensure that all

street signs are up to minimum reflectivity standards. This new mandate represents a significant new expense.

With the passage of the Non-Home Rule Sales Tax and expansion of the Capital Improvement Plan, there is a large increase in activity of the Right-Of-Way Maintenance program.

PROGRAM 45 – SNOW AND ICE CONTROL (7.15% of General Services Budget)

This Snow and Ice Program is responsible for mitigation of hazardous winter road conditions on all Village streets and cul-de-sacs. The Village uses a state-of-the-art procedure to pre-treat Village streets with de-icing materials. This program significantly reduces the amount of salt needed to treat Village streets and reduces the overall cost of de-icing – including overtime costs for employees. The Village also contracts with a private snow plowing firm to service cul-de-sacs.

PROGRAM 46 – STREET AND TRAFFIC LIGHTING (5.77% of General Services Budget)

The Village of Lake Zurich is responsible for the maintenance approximately 709 streetlights. This program also includes electricity to provide lighting for our residential streets as well as traffic signalization. For Fiscal Year 2012, the Street and Traffic Lighting expenses have been moved from the General Fund to the Motor Fuel Tax Fund and Non-Home Rule Sales Tax Fund.

PROGRAM 47 – STORMWATER SYSTEM CONTROL (5.03% of General Services Budget)

Lake Zurich's storm water drainage system includes 1432 manholes, 1205 inlets, and 1375 catch basins in addition to 167 retention-detention/wetland ponds. There will be a continuation of restoring adjustment rings, frames and grates associated with full depth asphalt repairs around failing structures. Much of the work in this program is part of the Village street resurfacing program. With the implementation of the Non-Home Rule Sales Tax, all stormwater system control expenses are now captured in the Non-Home Rule Sales Tax Fund.

Full Time Positions	2010	2011	2012
Superintendent – GS	1.00	1.00	1.00
Environmental Qual. Supervisor	-	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Arborist	1.00	1.00	1.00
Maintenance Worker I	6.00	6.00	5.00
Maintenance Worker II	6.00	6.00	8.00
Park Maintenance Supervisor	1.00	-	-
Cleaning Technician	1.00	0.50	-
Total	17.00	16.50	17.00

Engineering Division

The Engineering Division operates under the supervision of the Director of Public Works/Village Engineer. Previously the Engineering Division also acted as enforcement and plan review entity in regards to stormwater management and isolated wetland Regulations. With the loss of the Assistant Village Engineer from the division, an engineering technician has completed all the necessary classes and testing to become the new stormwater enforcement officer for Lake Zurich. With the limited amount of wetland impacts the Village encounters, it is doubtful that we will pursue obtaining the wetland certification for the Village in the future. As a certified storm water community, the Village of Lake Zurich operates under the Lake County Stormwater Management Commission regulations. The Watershed Enforcement Officer is also a certified Erosion and Sediment Control Inspector for the Village and will be implementing the NPDES (National Pollutant Discharge Elimination System) Phase II, which will require education of staff members as well as vast amounts of documentation.

Full Time Positions	2010	2011	2012
Civil Engineer	-	-	1.00
Engineer Technician	2.00	2.00	2.00
Asst. Village Engineer	-	1.00	-
Total	2.00	3.00	3.00

Water and Sewer Utility Division

The Water and Sewer Utility Division is responsible for the delivery of potable water and wastewater transmission services for the residents and businesses of the Village. All activities necessary to provide such services are accounted for in the Water and Sewer Fund, including administration, operations and maintenance, financing and related debt service, billing and collections.

The primary source of revenue for the fund is the monthly water billing and connection fees. The revenues generated from the monthly billing fees are utilized for the operation and maintenance of the system. The connection fees are utilized to fund the capital improvement projects of the fund. The Water and Sewer Fund operates as an enterprise fund where revenues are charged to capture the full cost of providing services to customers.

The Superintendent of Utilities manages all Programs in the Utilities Division including managing the labor force of operators and maintenance workers.

WATER SERVICES

Water Services is responsible for the production and supply of safe and potable water to the consumers within the Village of Lake Zurich. The division operates and maintains six deep wells including five Ion Exchange Water Treatment Plants, two elevated storage tanks and 119 miles of distribution mains. This division is also responsible for monitoring, sampling, analysis, and the reporting required for compliance with the Safe Drinking Water Act and IEPA regulations. The Water Distribution Division is also responsible for repairing and maintaining the distribution system, and reading and repairing water meters.

Water Production and Storage (19.8% of Utilities Budget)

The Water Production and Storage Program provides for the maintenance, operation and development of the Village of Lake Zurich's system of deep wells and storage facilities. The Village currently has six deep wells that have the design capacity of approximately 6 million gallons per day, with a sustained capacity in the neighborhood of 4.2 million gallons per day. Well 11 has been idle since December 30, 2008, and been serving as an emergency back-up to the Village's system. A new rate study is proposed in this budget to determine the funding source for this last well. Last year's water production totaled 621,050,600 gallons with an average daily production of 1,701,508 gallons/day. CY2010

This program also involves the maintenance and repair of the Village's storage facilities: a 750,000 gallon water spheroid at Paulus Park and a 1.5 million gallon water spheroid on Midlothian Road. The majority of expenses associated with such facilities relates to painting and cathodic protection (corrosion control). Additionally, all expenses related to bacteriological and chemical sampling and analysis to assure water quality are reflected in this program.

This program also monitors compliance certification and testing for backflow devices for fire protection, domestic, industrial and commercial lines and irrigation systems.

Water Distribution (6.7% of Utilities Budget)

The Water Distribution Program covers the cost of maintaining approximately 119 miles of water main that networks the Village of Lake Zurich. This division is responsible for the 24-hour

maintenance of the piping systems, This program also allocates funds for the maintenance and repair of approximately 1,700 system valves and 1,600 fire hydrants.

Meter Reading (6.8% of Utilities Budget)

The Meter Reading Program is responsible for the installation, replacement, repair, testing, and reading of all water meters in the Village of Lake Zurich. The Village has approximately 6,400 meters: 5,900 residential, 400 commercial, and 100 industrial. Over the past years the Village began a 5-year upgrade of all "Touch-read" meters to "Radio-read" capability. This new system when fully implemented will allow meters to be read in a single day which will improve efficiency of billing and allow for better water accountability.

WASTEWATER

The Wastewater Division is responsible for repair and maintenance of the existing Sanitary Sewer and Lift Station Systems. In 1995 this section took on the responsibility for operating and maintaining the state-of-the-art Interceptor Sewer System. The ultimate charge of the Wastewater Division is the collection and conveyance of wastewater from any home or business to the Lake County treatment facility in Buffalo Grove. Other Wastewater activities include:

- Interface with Lake County Public Works Officials;
- Discuss operations and pollution problems with IEPA Inspectors;
- Interpret and implement all sampling, analysis and reporting mandates issued by regulatory agencies;
- Read the meters that monitor flow from the Village of Kildeer to provide billing information to the Finance Department.

Industrial Pre-treatment Monitoring (0.8% of Utilities Budget).

This program funds the administration of the Industrial Pre-treatment Monitoring Program that provides inspection services within the Village of Lake Zurich. Discharge of contaminated sewage into the collection system is determined to be somewhat significant due to the manufacturing of industrial process being performed within certain industries. As part of connection to the Lake County Sewer Plant, it is an IEPA requirement that the Village conduct Industrial Pre-treatment Monitoring. The Village currently has two minor industrial users whose ability to discharge flow is controlled by permit from the Village. The Wastewater Collection Division monitors flow from each of these consumers.

On a regularly scheduled basis several other industries contract for laboratory analysis of the samples taken to determine if the sewage discharge exceed allowable standards set forth in the Pre-treatment Ordinance. Industries receiving monitoring services pay for all services rendered, including our time and the cost of contractual lab analysis. If lab results demonstrate that the industry discharge is in violation of minimum contaminant standards for non-conventional pollutants, fines are levied to the industry.

The total normal operating costs of supplies, services and personnel for operating the Industrial Pre-treatment Monitoring Program have decreased as a result of a decline in the number of Industrial units requiring pre-treatment monitoring.

Interceptor Sewer (3.6% of Utilities Budget)

This Interceptor Sewer System was built in order for the Village to be able to decommission the sewage treatment plants and use the Lake County Plant. During the past year, a volume of approximately 821,275,000 gallons of flow has been sent to Lake County through this sewer system.

The Interceptor Sewer Program provides the funds necessary for the following: Operation of the Quentin and Northwest pump stations; Maintenance of the pipeline from the Quentin Pump Station to Lake County's Treatment Plant; Maintenance of appurtenant equipment associated with the siphon that collectively transfers all of Lake Zurich's sewage to Lake County's Des Plaines River Treatment Plant in Buffalo Grove.

Employees are responsible on a daily basis for the following: Routine inspections of both pump stations; Inspection of all associated equipment and instrumentation; Maintenance of the vacuum priming structure in Kildeer; Maintenance of the flow control structure in Long Grove; 12.5 miles of force main and gravity sewer in four communities and a private golf club.

Lift Stations (16.0% of Utilities Budget).

This program includes the costs associated with the operation and maintenance of Lake Zurich's series of 15 lift stations that function 24 hours each day to provide dependable sewer service to all customers. These lift stations vary by size, type, age and manufacturer. Each lift station, because of its location in the system, is subject to varying flow conditions depending on time of day and weather. The lift stations require daily inspection and monitoring to insure their continued operation and to identify minor issues early before major failures develop. The major expenditures of note in this program are attributed to the electrical energy costs to power the lift stations.

Collection System (4.9% of Utilities Budget)

Lake Zurich's Sanitary Sewage Collection System includes approximately 86 miles of sanitary gravity sewer and force main. For the most part, the Village's sanitary and storm sewer systems are totally separate, with the exception of some Inflow and Infiltration problems that have recently been addressed. The collection system is designed to receive sanitary flows from various sources throughout the Village. It then conveys those flows, unimpeded, to one of 15 lift stations, or directly into the wet well at one of the Interceptor Sewer pump stations. Age, movements of the earth and corrosion from the wastewater has caused portions of the Village's collection system to fall into disrepair.

Full Time Positions	2010	2011	2012
Superintendent – Utilities	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Water Works Operator	3.00	2.00	1.00
Maintenance Worker I	1.00	2.00	4.00
Maintenance Worker II	4.00	3.00	3.00
Meter Reader	1.00	1.00	1.00
Total	11.00	10.00	11.00

Fleet Service Division

Maintenance of the Village's fleet vehicles and equipment is the responsibility of the Fleet Services Division. Service is provided to all divisions of the Public Works Department, the Police and Fire Departments, Building and Zoning, Community Development, Planning, Park and Recreation. Due to the nature of emergency vehicles such as police, fire and public works, personnel are on call 24 hours per day, seven days per week. The three individuals employed in this division perform preventative maintenance on a regularly scheduled basis and emergency repairs on approximately 287 pieces of equipment. Besides trucks and cars, this division also maintains tractors, mowers, saws, and other equipment used throughout the Village. The high resale of cars and trucks that have been resold is testimonial to the excellent maintenance care given by this division.

In addition to the above, employees prepare specifications and provide recommendations for the purchase of fleet vehicles, provide welding and fabrication services, and perform set-up services for new squad cars including the radio installation. This division also maintains emergency generators at all Fire and Police Stations.

The Fleet Services division activity is recorded in the Vehicle Maintenance Fund which is an internal service fund operated on a full cost recovery basis. The fund provides services to other departments or to other governments, and allocates out the cost of operations to the departments/governments that it serves. The total expenditures are estimated for each Department based on past records and future anticipated costs.

The Village is required to participate in the Clean Fuel Fleet Program and has acquired vehicles the past few years that meet the emission standards thereby maintaining compliance with the Clean Fuel Initiatives (CFI) Directives.

The Village now owns a Bi-fuel van and 8 Bi-fuel Pick-up Trucks. These vehicles are now capable of refueling at our own CNG Fueling System that opened in the fall of 2001. Unfortunately the use of natural gas as an alternate fuel supply for vehicles is on the decline as opposed to new battery hybrids. As such, bi-fuel vehicles equipped with natural gas are no longer being manufactured by the automotive industry as an option. Staff expects this alternate fuel to be phased out over the next 10 years.

The Village has an Intergovernmental Agreement with Ela Township to provide Fleet Repair Services. Fleet Services also provides fuel for the Villages of Hawthorn Woods and Kildeer. These services are billed to the respective parties and shown as revenue sources.

Full Time Positions	2010	2011	2012
Superintendent – Fleet	1.00	1.00	1.00
Mechanic II	2.00	2.00	2.00
Total	3.00	3.00	3.00

BUILDING & ZONING

The purpose of the Building & Zoning Department is to preserve and enhance the quality of life and to protect the safety of the built environment in the Village of Lake Zurich through planning, administration and enforcement of the Village's Comprehensive Plan, Land Development, Zoning and Building codes. These services are implemented through two divisions, the Building Division and the Planning & Development Division.

- The Building Division is responsible for review, approval and issuance of permits for all construction projects and code compliance matters. The division also performs scheduled and periodic inspections during construction to ensure compliance with building codes and standards.
- The Planning & Development Division is responsible for guiding applicants through all project phases of development and the approval process. Including services aimed at providing economic development, which include the Route 12 corridor guidelines, Form Based Regulations (FBR), FBR Overlay District, and the downtown redevelopment district.

Together, these two divisions work toward maintaining the quality neighborhood and business character of the community. The department staff is responsible for the oversight and implementation of the Village's Comprehensive Plan, Zoning Code, Building Codes, and department policies and procedures. The department also serves as a resource to elected and appointed officials and the community at-large. Additionally, staff serves as liaison to several boards and commissions, including the Village Board, Planning and Development Committee, Plan Commission, and the Zoning Board of Appeals. There are no changes in staffing from FY 2011 to FY 2012

Department Workplan

Strategic Goal 1: Ensure the long-term sustainability of the Village

Objective 1: Ensure the maintenance of the Village's capital assets and infrastructure through systematic planning processes.

- Strategy 1: Facilitate the formation of a Village Economic Development (ED) Committee to guide community economic development efforts in concert with the Village Administration.
 - Develop the organizational structure for the ED Committee per Village ordinances.
 - Use best practices to establish the organizational functions.
 - Identify and recruit stakeholders.
- Strategy 2: Develop community-wide strategic growth policies and incentives in concert with the Economic Development (ED) Committee.
 - Review various planning documents for the types of future growth envisioned.
 - Develop community-wide policies to revitalize under-utilized corridors with infrastructure, viable land uses and economically sustainable developments.
 - Develop policies to guide public and private investment including

incentives.

Objective 2: Promote the overall development/redevelopment of the community.

- Strategy 1: Utilize a systematic approach to re-launch the Village's downtown redevelopment and the Tax Increment Financing District (TIF) in concert with the Village Administration.
 - Facilitate the process of recruiting a consultant to conduct a financial and "community gap" analysis and review of current planning documents.
 - Utilizing fully qualified licensed brokerage group, identify and attract qualified developers to implement the financial and planning strategies approved.
 - Assist in the process of negotiating and recruitment of qualified developers.
- Strategy 2: Develop and implement a business outreach program seeking business retention and expansion in the Lake Zurich Industrial Park in concert with Lake County Partners and ComEd.
 - Analyze the business profile for Lake Zurich and develop the selection criteria.
 - Conduct business outreach visitations.
 - Identify immediate business needs and follow-up.
 - Prepare key findings and company reports.

Objective 3: Utilize up-to-date best practices and policies.

- Strategy 1: Restructure and reorganize the administration to achieve optimal efficiencies and effectiveness in relationship to all operating departments.
 - Investigate and evaluate alternative Performance Monitoring Plan (PMP) systems available for local governments best suited for implementation in the Village.

Strategic Goal 2: Provide Community-Focused Municipal Services

Objective 1: Tailor service delivery to the needs of the community.

- Strategy 1: Evaluate and establish a "One Stop" customer service center in concert with the Village Administration.
 - Analyze all Village functions related to development, permits and inspections.
 - Prepare organizational structure and service delivery outline.
 - Conduct space needs analysis.

Strategic Goal 3: Facilitate Informed Decision-Making

Objective 1: Provide timely, relevant, and high-quality information and analysis.

- Strategy 1: Provide public education and training programs.
 - Research, develop, and implement at least four (4) public education and training programs on relevant topics.

Objective 2: Utilize results-oriented reporting and evaluation procedures.

- Strategy 1: Evaluate Village's permit and inspection process to help improve customer service.
 - Compile survey information from other municipalities.
 - Conduct the survey seeking direct feedback from residents and/or businesses and summarize key findings.
 - Make recommendations to Village Board on survey results.

Full Time Positions	2010	2011	2012
B & Z Director	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00
Asst. Building Manager	1.00	1.00	1.00
Office Manager – Inspections	-	1.00	1.00
Plumbing Inspector	1.00	1.00	1.00
Zoning Inspector/Plan Reviewer	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00
Permit Coordinator	1.00	1.00	1.00
Code Enforcement Inspector	1.00	-	-
Administrative Asst.	1.00	-	-
Total	9.00	8.00	8.00

PARKS & RECREATION DEPARTMENT

The Park and Recreation Department offers a wide variety of quality leisure programs, services and facilities to the residents of the Village. The Department provides and implements and/or maintains the following:

- Maintains quality parks and buildings. Includes 31 park facilities, 22 playgrounds, 10 soccer fields, 5 tennis courts, 10 baseball fields, 3 basketball courts, 6 sand volleyball courts, 2 beaches and 1 spray ground, 12 walking paths, 11 shelters/gazebos, 15 nature areas, and 5 fishing locations. 7 facilities are used for offices, program implementation, storage, rental/classroom areas, and maintenance services. They consist of The Barn, Chalet and Concession Building within Paulus Park, the Kuechmann House, Buffalo Creek Buildings A & B, and 351 Lyons Drive maintenance garage.
- Offers a broad spectrum of year-round programs; active and passive, indoor and outdoor, age group specific, family oriented programs and community special events. They are categorized by dance, preschool, youth programs, camps, athletics, aquatics, special interest, special events/trips, fitness and concessions.
- Utilizes the expertise of other departmental staff to accomplish its' goals and utilizes other resources within the community to jointly offer leisure opportunities to residents.

In addition to the full time staff, the Department employs over 150 part-time employees for various positions and approximately 250 volunteers help to put on special events and programs. Two full time positions were eliminated from the 2011 budget. The duties of the Parks and Facilities Manager are now performed in the General Services division of Public Works. The full-time receptionist has been replaced by two part time employees.

Strategic Goal 1: Ensure the long-term sustainability of the Village

Objective 2: Promote the overall development/redevelopment of the community.

- Strategy 1: Prepare proper application to obtain OSLAD Grant funding.
 - Review recommendations in the Open Space and Recreation Master Plan and consult Advisory Board on eligible park improvements for OSLAD Grant funding.
 - Contract with consultant to assist in preparation of application for timely submittal.
 - Conduct public meetings for project and coordinate with Advisory Board and Village Administration for recommendation to the Village Board.

Objective 3: Utilize up-to-date best practices and policies.

- Strategy 1: Participate and cooperate in the evaluation and analysis of consolidating recreation services with Foglia YMCA.
 - Assemble and provide all information relevant to the potential success of the transition.
 - Evaluate the programs, services, facilities and opportunities that both agencies offer and compare duplications, strengths/weaknesses, and the opportunities for improvement.
 - Assist in the preparation of a transition plan in the event a cooperative agreement is reached.

- Strategy 2: Review Village/Department standards against current best practices and future policies.
 - Evaluate the codes/rules and regulations of park and beach uses, determine if current standards should be revised based on other community practices.
 - Continue and expand training to keep up to date on industry best practices and incorporate into codes and standards.

Objective 4: Achieve fiscal balance and sustainability.

- Strategy 1: Evaluate budget and utilize sound fiscal management to provide services.
 - Search and attain additional funding capabilities through programs and services, sponsorships, and grant funding opportunities.
 - Establish a quality volunteer program to reduce part-time/seasonal staffing levels if available.
 - Review and improve upon internal control standards for handling of cash, checks and credit card processing.

Strategic Goal 2: Provide Community-Focused Municipal Services

Objective 1: Tailor service delivery to the needs of the community.

- Strategy 1: Follow through on the 2011 OSRMP recommendations.
 - Evaluate the recommendations in the Open Space and Recreation Master Plan to identify and select programs, projects, and services that can be rapidly completed within the resources of the department including input from the stakeholders, Advisory Board and Village Administration on those park improvements or services to be implemented.
 - Coordinate with Advisory Board and Village Administration for recommendations to the Village Board for new capital projects.
 - Coordinate with Public Works personnel on park/facility improvements to determine if the projects can be done in-house or should be performed contractually analysis.

Objective 2: Deliver Village services efficiently and effectively.

- Strategy 1: Improve staffing levels in recreation department to increase productivity in providing programs and services for the community.
 - Cross train recreation staff employees for coverage in positions.
- Strategy 2: Implement and maintain broad base of recreation programming for preschool, dance, camps, athletics, youth programs, aquatics, fitness, special recreation, special interest and special events/trips.
 - Evaluate and provide those services that meet the demands of the community and that have proven to be successful over the years for all three seasons of programming consisting of summer, fall and winter/spring.
 - Continue participant evaluations to monitor and evaluate programs and services offered.
 - Evaluate and create new opportunities based on internal/external input and the trends of the field of recreation that suit the community needs.
 - Utilize available local facilities in the community to implement programs and services.
 - Expand our web-based opportunities for the on-line registration service.

Strategic Goal 3: Facilitate Informed Decision-Making

Objective 1: Provide timely, relevant, and high-quality information and analysis.

- Strategy 1: Review recently completed OSRMP for implementation.
 - Identify and prioritize projects eligible for OSLAD Grant funding.
 - Identify and prioritize non-OSLAD Grant funded park projects.
- Strategy 2: Develop a marketing/advertising program to retain and attract new patrons.
 - Enhance program brochures, website presence, posters, flyers and other media to promote recreation services.
 - Utilize e-mail blast capabilities within the RecTrac system to promote, inform and retain current patrons.
 - Utilize other website and/or email blast opportunities from other organizations to attract patrons (ie. LZACC, County, etc.).
 - Investigate the feasibility of replacing the community marquee to improve communications.

Full Time Positions	2010	2011	2012
Parks and Rec Director	1.00	1.00	1.00
Parks and Rec Supervisor	2.00	2.00	2.00
Administrative Asst.	1.00	-	-
Receptionist	1.00	1.00	-
Parks and Facilities Manager	-	1.00	-
Total	5.00	5.00	3.00

Expenditure by Fund	2010 Actual	2011 Budget	2011 Projected	2012 Adopted
General Fund	1,367,165	1,352,294	1,288,973	1,220,352
Hotel/Motel Tax Fund	-	-	-	48,100
Park Improvement Fund	621,940	358,000	16,292	183,000
Total	1,989,105	1,710,294	1,305,265	1,442,952

IV. Capital Spending and Debt



CAPITAL IMPROVEMENT PROJECTS -

The Village of Lake Zurich Capital Improvement Program (CIP) is a schedule of improvements to the Village's infrastructure and other capital assets. The CIP sets forth proposed expenditures for systematically constructing, maintaining, upgrading, expanding, and replacing the community's assets.

This section describes the CIP process and provides details of projects included within the capital projects area of this adopted budget. The end result of the capital program will be a separately published document, which includes detailed mapping, revenue sources and the complete five year program. The reader should refer to that document to attain more descriptive details than is included herein.

THE PROCESS

Capital expenditures are broken down into two categories. Capital Outlay includes smaller expenditures such as minor building improvements, equipment, minor street maintenance vehicles, computers, printers, trees and others. On the other hand, Capital Projects are typically major expenditures. They can be either infrequent projects, such as the construction of a new police headquarters or systematic improvements, such as street surface improvements.

Since the CIP identifies what Village assets will be improved or replaced it is more than a schedule of expenditures. It is a statement of budgetary policy and a planning document. Implementation of the CIP is a tool to accomplish the adopted goals and policies of the Board of Trustees.

Projects are developed through the course of the fiscal year. The process involves board, citizen, or staff proposing needed projects. Staff then coordinates the project with any related projects, reviews for compatibility with the Village's goals,

identifies a funding source, and develops a project schedule. Projects are reviewed by the responsible department and placed within the department's 5-year schedule.

During the annual review of the 5-year CIP, completed projects are removed, new projects are proposed, and scheduled projects move forward in the schedule or out to later years. The timing of a project is dependent on the current condition of the asset and funding availability. As the 5-year CIP is fine-tuned, it is under the oversight of the Engineering Division of the Department of Public Works.

Similar to the operating budget, a different process was used to create the capital budget than model described above. A list of capital projects and budgeted costs was created for FY 2012 only, as the 5-year plan is currently under development. The FY 2012 Capital Projects plan represents significant progress toward the ideal capital budgeting system that will be built upon in upcoming years.

IMPACT ON OPERATING BUDGET

Because much of the funding for capital projects comes from the general and special revenues, the operating budget has a clear connection to the CIP process. Those same revenues drive the daily services provided by the Village. Accordingly, its operating budget often comes first when priorities for projects are set, should tax or other revenues not be sufficient to maintain current operations and to build infrastructure. This is especially important when the project will create new or expanded facilities. For example, if a new roadway is built then the Public Works Department must include supplemental information in its budget to maintain the new roadway. This would include not only the employees or contractors to maintain the roadway, but

equipment and supplies for the roadway maintenance.

For most items in the 2012 capital budget, there is little, if any, actual impact on the operating budget since many capital items are replacement items already affecting operation costs. In most instances operating

costs are projected to remain constant offsetting the impact of inflation. Additionally, The inclusion of preventative maintenance items in the FY 2012 budget will have the eventual effect of reducing future strain on operating budgets for maintenance.

Project Funding Source	Description
Park Improvement Fund	Grant proceeds and donations from developers.
TIF Redevelopment Fund	Incremental Property Tax in the Village's TIF District, bond proceeds or grants.
Non Home Rule Sales Tax Fund	Revenue from a .5% local sales tax dedicated to maintenance and improvements to Village infrastructure
Capital Improvements Fund	Normally transfers from other funds, bond proceeds, or grants proceeds. Revenue from the Village's Telecommunication Tax is also used.
Water and Sewer Fund	Income received from users of the Village's water and sewer systems, IEPA Loans and Bond proceeds.

FY 2012 Nonrecurring Capital Projects

Fund	Project Description	Project Budget
Park Improvement	<u>Park Improvement Program</u>	<u>\$ 183,000</u>
	Misc Park Improvements	8,500
	Countryside West Parking Lot	40,000
	Paulus Park Shelter Re-Roof	15,000
	351 Lions Drive Re-Roof	40,000
	Sprayground Control Panel / Switches	10,000
	Roof Evaluations @ All Buildings	5,000
	Heatherleigh Tennis Court Replacement	20,000
	Staples Park Windscreen / Safety Railing	14,500
	Oakridge Marsh Pier Improvements	10,000
	ADA Ramp Improvements	20,000
Park Improvement Fund Total		<u>\$ 183,000</u>
TIF Redevelopment	<u>TIF Property Improvement Program</u>	<u>\$ 463,500</u>
	Roof Repairs	239,000
	HVAC	20,000
	Electric	22,000
	Exterior Renovations	34,500
	Interior Renovations	15,000
	Boiler Replacement	10,000
	Property Demolition	113,000
	Environmental Remediation	10,000
TIF Redevelopment Fund Total		<u>\$ 463,500</u>
Capital Projects	<u>Railway Noise Mitigation</u>	<u>\$ 1,100,000</u>
	Consulting Services	70,000
	Cattle Crossing	30,000
	Noise Mitigation Improvements	1,000,000
	<u>Right of Way Improvements - Roadway</u>	<u>\$ 1,890,152</u>
	See Page 96 for Full List of Projects	
	<u>Right of Way Improvements – Non-Roadway</u>	<u>\$ 551,262</u>
	Street Sign Replacements	32,000
	Outfall Improvements	10,000
	Stormwater Flood Analysis	50,000
	New Traffic Loop – Oakwood & Midlothian	10,000
	Safe Routes to School Project - Isaac Fox	25,000
	Sidewalk Replacement - S. Old Rand & Surryse	335,769
	Midlothian Road Traffic Signal	57,243
	Rain Barrel Projects	31,250
Capital Projects Fund Total		<u>\$ 3,541,414</u>

Fund	Project Description	Project Budget
Water & Sewer	<u>Meter Reading Improvements</u>	<u>\$ 166,400</u>
	Radio Read Transceivers (5 Year Retrofit)	166,400
	<u>Lift Station Improvements</u>	<u>\$ 549,000</u>
	Route 12 Orchard Force Main	492,000
	SCADA for Four Stations	45,000
	Alarm System – Northwest and Quentin	12,000
	<u>Water Production/Storage Improvements</u>	<u>\$ 110,000</u>
	Well #7 Refurbishing	110,000
Water & Sewer Fund Total		\$ 825,400
Total Village-Wide Capital Projects		\$ 5,013,314

FY 2012 Roadway Improvement Project List

- Tallgrass - Farm Bridge Road
- Turtle Pond - Farm Bridge Road S
- Country Ridge - Farm Bridge Road (N and S)
- Prairie - Genesee Street
- Holly - Holly Circle
- Red Bridge - North of Farm Bridge Road
- Lancaster - Manchester Road East
- Hampshire - Manchester Road to Holly Circle
- Manchester - Manchester Road to North End
- Holly - Miller Road to Holly Circle
- Manchester - Miller Road to North End
- Holly - Miller Road to South End
- Potawatomi - Mohawk Trail
- Red Bridge - North of Ivy Court
- Evergreen - Old Rand to Meadow Lane
- Spruce - Old Rand to Meadow Lane
- Deerpath - Old Rand to Rand
- Farm Bridge - Red Bridge to Buesching
- Mohawk - Route 22 to Pavement Change
- Meadow - South End to Genesee Street
- Cherokee - West End to East End
- Pheasant Ridge - Old Rand to Rand
- Lions Dr - Oak Street to East Lane
- Summit - Miller Road to East Lane
- Miller Rd - Route 12 to Summit Road
- Phase II - Ela Road Right Turn Lane at Route 12

DEBT MANAGEMENT -

When significant projects are planned which are beyond its short-term financial means, the Village will seek financing solutions that provide the necessary resources immediately. Although a variety of forms of financing are available, the Village usually turns to long-term bonds as a source of its financing.

It is also equitable to current Village taxpayers to use debt management to cover the costs of long-term projects. An improvement that has a useful life of 30 years may be paid for by future taxpayers as well since they will see some of the benefit.

LONG-TERM BONDS

Much like bank financing, the Village sells bonds on the open market to secure enough proceeds to pay for a project. With a ready source of cash, the Village can complete a large project without the cash-flow concerns of using 'pay-as-you-go'. Again, like bank financing, the bonds must be repaid over time, at market driven interest rates. These payback terms are spread based on the flow assumptions of the underlying revenue and can range from one to thirty years or more.

There are several reasons why bond financing is the most attractive source of capital. Because of their lower risk, with particular revenue types pledged to bond repayment, interest rates are lower. Municipal bonds are attractive to investors also because of favorable income tax treatments of bond interest payments.

Interest rates are fixed at the time of the bond sale, providing the Village with a known payment schedule. Servicing this debt becomes part of the operating budget along with operational capital needs. As noted earlier, the Village maintains a Debt Service Fund, which is used to account for payment of the debt. Into this fund are transferred monies from other operating funds that can now pay over time for a costly project rather than trying

to set aside monies until sufficient resources are available.

Most governments have been active in the bond market for years, especially with low long-term rates. The Village of Lake Zurich is no exception. This bond financing to pay for capital projects is especially prevalent in the fast-growing areas, like the "Downtown TIF" area in Lake Zurich.

BOND TYPES

There are different types of bonds used depending on the type of project and its anticipated repayment funding. A description of the bond types and their use by the Village follows.

General Obligation Bonds – This type of bond relies on property tax financing rather than on current operating revenue. Because of Lake Zurich's status as a non-home rule community, voter approval is required before the issuance of these types of bonds. The Village has outstanding General Obligation Bonds which can be seen in the table that follows. The reasons for the abatements are that the funds required for repayment are either escrowed or are transferred from other Village of Lake Zurich funds.

Revenue Bonds – These bonds are similar to general obligation bonds except that they do not have the support of local property tax base for repayment. Instead, a source of revenue related to the project is pledged for repayment of the bonds. A typical revenue bond is related to the Water and Sewer Fund. The User Charges of the Water and Sewer fund can be pledged for repayment of the bonds, as it is a reliable source of revenue. Debt service payments would then claim priority for spending from the fund until the bonds were repaid.

IMPACT OF DEBT SERVICE ON BUDGET

Much like the impact of capital projects, debt service payments are derived from the same general revenues that are used for operations. A balance must be achieved between operational needs, debt requirements and capital expenditures to stay within the limitations of annual revenues. Each year, the Board of Trustees and staff work carefully to assure this balance. The benefit of securing long-term financing to provide for timely construction of needed infrastructure can make a municipality "debt poor" if taken to extremes.

means of comparison are reviewed to ensure that the Village goes not overreach its capacity for debt issuance. The Village continues to develop more quantifiable measurement for debt analysis.

More meaningful to this analysis is the Village's bond rating, A1. Rating agencies are instrumental in determining debt capacity of the Village. The Village works with these agencies closely to maintain its overall superior rating to assure the soundness of its ability to attain favorable interest rates in the financial markets.

OUTSTANDING DEBT

While no rules exist for measuring the amount of debt capacity a village can bear, some measures are available to compare governments. Per capita debt ratios and other

This table lists the Village's outstanding debt as of April 30, 2011:

	Purpose	Source of Repayment	Rate	Maturity	Issued	Outstanding
General Obligation Bonds						
GO 2008A	Refunding PD	Debt Service Fund	3.50 – 5.00%	1/1/2020	\$4,265,000	\$3,815,000
GO 2006	Water and Sewer	Water and Sewer Fund	4.00%	12/15/2014	\$2,050,000	\$1,850,000
Total General Obligation						\$5,665,000
Alternate Revenue Bonds						
ARB 2002	Water and Sewer	Water and Sewer Fund	4.00 - 4.25%	12/15/2013	\$2,000,000	\$465,000
ARB 2003B	Water and Sewer	Water and Sewer Fund	2.5% - 2.625%	5/1/2011	\$1,960,000	\$275,000
ARB 2003D	Water and Sewer	Water and Sewer Fund	3.35% - 4.75%	5/1/2011	\$700,000	\$100,000
ARB 2003A	TIF	TIF Debt Service Fund	3.625 - 3.750%	12/15/2021	\$4,200,000	\$2,650,000
ARB 2009A	TIF	TIF Debt Service Fund	3.30 – 6.15%	2/1/2029	\$7,830,000	\$7,830,000
ARB 2009B	TIF	TIF Debt Service Fund	4.10 – 5.10%	12/15/2020	\$1,525,000	\$1,525,000
ARB 2009C	TIF	TIF Debt Service Fund	3.73%	12/15/2024	\$4,255,000	\$4,255,000
ARB 2011B	TIF	TIF Debt Service Fund	1.5% - 5%	12/15/2022	\$2,800,000	\$2,800,000
ARB 2011C	TIF	TIF Debt Service Fund	2% - 4.25%	12/15/2022	\$1,230,000	\$1,230,000
Total ARB						\$21,130,000
Revenue Bonds						
2005A	TIF	TIF Debt Service Fund	3.75 - 4.00%	12/15/2025	\$8,500,000	\$7,550,000
2005B	TIF	TIF Debt Service Fund	4.30 - 4.80%	12/15/2015	\$1,500,000	\$495,000
Total Revenue Bonds						\$8,045,000
Illinois Environmental Protection Agency Loans						
IEPA 2006	Well 8	Water and Sewer Fund	2.5%	6/15/2026	\$2,000,000	\$1,699,570
IEPA 2009	Well 12	Water and Sewer Fund	2.5%	8/11/2028	\$1,673,182	\$1,536,431
Total IEPA Loans						\$3,236,001
Total All Outstanding Bonded Debt						\$38,076,001

FY 2012 Debt Service Payments by Fund

Fund	2012 Principal	2012 Interest	Total 2012 Payments
Debt Service	\$831,000	\$165,912	\$996,912
Water and Sewer	\$809,241	\$202,654	\$1,011,895
TIF Debt Service	\$160,000	\$853,122	\$1,013,122
Fund	\$1,800,241	\$1,221,688	\$3,021,929

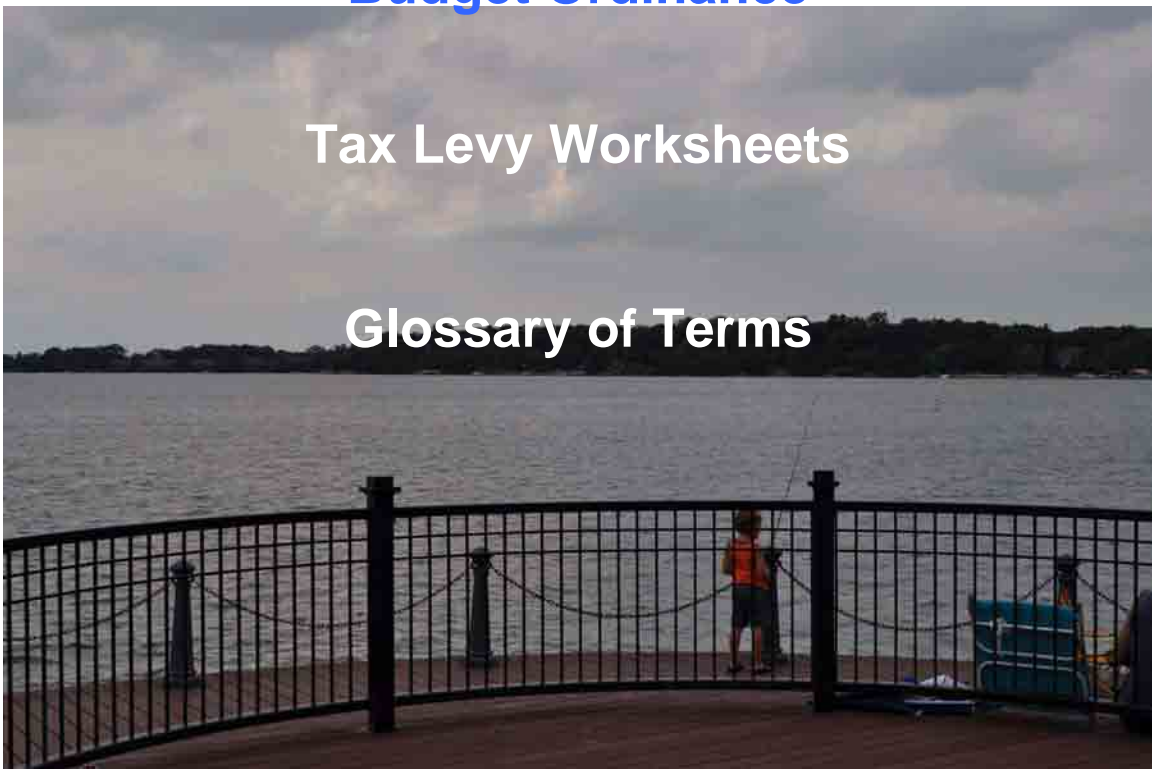
V. Appendix

Position Control

Budget Ordinance

Tax Levy Worksheets

Glossary of Terms



VILLAGE OF LAKE ZURICH
AUTHORIZED FULL TIME PERSONNEL POSITIONS
FOR FISCAL YEAR - 2010, 2011 AND 2012

	BASE SALARY					
	2010		2011		2012	
	FTE's	Salary at 5/1/2009	FTE's	Salary at 5/1/2010	GRADE /STEP	FTE's Effective at 4/30/2011
ADMINISTRATION						
VILLAGE ADMINISTRATOR	1.00	143,222.00	1.00	145,000.00	SPEC	1.00 145,000.00
ASSISTANT VILLAGE ADMINISTRATOR	-	-	0.75	79,872.00	17/MID +	1.00 104,208.00
ASSISTANT TO THE VILLAGE ADMINISTRATOR	-	-	-	-	9/MIN	1.00 59,904.00
HUMAN RESOURCES MANAGER	1.00	82,400.00	-	-	-	-
EXECUTIVE ASSISTANT	1.00	70,212.00	1.00	70,304.00	8/MAX	1.00 72,176.00
PERSONNEL ASSISTANT	1.00	60,158.00	1.00	60,320.00	-	-
HUMAN RESOURCE ASSISTANT	-	-	-	-	4/MIN	1.00 43,264.00
TOTAL ADMINISTRATION	4.00		3.75			5.00
FINANCE						
FINANCE DIRECTOR/TREASURER	1.00	116,500.00	1.00	121,264.00	17	1.00 124,592.00
ASSISTANT FINANCE DIRECTOR	1.00	75,000.00	1.00	77,376.00	12	1.00 79,456.00
MANAGEMENT ANALYST	-	-	0.75	58,240.00	-	-
NETWORK ADMINISTRATOR	1.00	83,730.00	1.00	88,920.00	12	1.00 91,520.00
MIS ASSISTANT	1.00	46,240.00	1.00	48,672.00	7/MIN	1.00 50,128.00
PURCHASING COORDINATOR	-	-	1.00	60,736.00	8/C	1.00 62,400.00
ACCOUNTS PAYABLE CLERK	1.00	47,205.00	-	-	-	-
ACCOUNTANT	-	-	0.75	52,832.00	8/C	1.00 62,400.00
ACCOUNTING ASSISTANT	1.00	55,786.00	-	-	-	-
ACCOUNTS RECEIVABLE CLERK	1.00	41,941.00	1.00	43,264.00	4/A	1.00 44,512.00
TOTAL FINANCE DEPARTMENT	7.00		7.50			7.00
POLICE						
ADMINISTRATION						
POLICE CHIEF	1.00	121,751.00	1.00	126,672.00	17	1.00 130,208.00
DEPUTY POLICE CHIEF	1.00	110,984.00	0.50	113,360.00	15/MAX	1.00 116,480.00
DEPUTY POLICE CHIEF	-	-	1.50	108,160.00	15/MID+	1.00 110,864.00
OFFICE MANAGER - POLICE	1.00	57,368.00	1.00	57,408.00	5/MAX	1.00 57,616.00
	3.00		4.00			4.00
OPERATIONS						
COMMANDER	3.00	102,331.00	3.00	102,752.00	13/MAX	3.00 105,664.00
POLICE SERGEANT	4.00	96,151.00	3.00	97,968.00	12/MAX	3.00 100,672.00
POLICE SERGEANT	2.00	87,991.00	2.00	91,520.00	12	2.00 94,016.00
POLICE OFFICER	19.00	79,196.00	20.00	79,248.00	FOP/6 *	20.00 81,536.00
POLICE OFFICER	1.00	74,447.00	-	74,464.00	FOP/5 *	- 76,544.00
POLICE OFFICER	1.00	71,111.00	2.00	71,136.00	FOP/4 *	2.00 73,216.00
POLICE OFFICER	2.00	59,806.00	1.00	65,312.00	FOP/3 *	1.00 67,184.00
POLICE OFFICER	2.00	55,951.00	1.50	55,952.00	FOP/1 *	2.00 57,616.00
COMMUNITY SERVICES OFFICER	2.00	51,526.85	1.50	51,584.00	CSO/7	1.00 53,040.00
	36.00		34.00			34.00
COMMUNICATIONS						
COMMUNICATIONS DIRECTOR	1.00	86,594.00	1.00	89,232.00	12	1.00 91,728.00
COMMUNICATIONS SUPERVISOR	1.00	67,467.00	1.00	69,680.00	9/F	1.00 71,552.00
TELECOMMUNICATOR	2.00	58,566.98	4.00	58,656.00	DISP/7	4.00 60,320.00
TELECOMMUNICATOR	2.00	55,505.22	1.00	55,536.00	DISP/6	1.00 56,992.00
TELECOMMUNICATOR	2.00	52,444.53	1.00	50,128.00	DISP/4	1.00 51,584.00
TELECOMMUNICATOR	4.00	47,977.08	2.00	48,048.00	DISP/3	2.00 49,296.00
TELECOMMUNICATOR	1.00	45,468.05	2.00	43,680.00	DISP/1	2.00 44,928.00
	13.00		12.00			12.00
RECORDS						
RECORDS SUPERVISOR	1.00	59,944.00	1.00	61,776.00	9/B	1.00 63,440.00
RECORDS CLERK	1.00	50,600.00	1.00	50,752.00	3/MAX	1.00 52,208.00
RECORDS CLERK	1.00	41,142.00	1.00	42,432.00	3/B	1.00 43,680.00
	3.00		3.00			3.00
TOTAL POLICE DEPARTMENT	55.00		53.00			53.00

FIRE/RESCUE							
ADMINISTRATION							
FIRE CHIEF	1.00	130,227.00	1.00	130,416.00	17/MAX	1.00	134,160.00
DEPUTY FIRE CHIEF	1.00	115,037.00	1.00	115,232.00	15/MAX	1.00	116,480.00
OFFICE MANAGER - FIRE	1.00	55,786.00	1.00	55,952.00	5/D	1.00	51,168.00
	3.00		3.00			3.00	
FIRE BUREAU							
ASSISTANT FIRE MARSHALL	1.00	94,957.00	1.00	97,760.00	12	1.00	100,672.00
FIRE INSPECTOR	1.00	69,491.00	1.00	71,760.00	9/G	1.00	73,840.00
FIRE INSPECTOR	1.00	67,467.00	1.00	69,680.00	9/F	1.00	71,552.00
FIRE INSPECTOR	1.00	55,426.00	1.00	58,240.00	9/MIN	1.00	59,904.00
ADMINISTRATIVE ASSISTANT	1.00	47,205.00	0.50	48,672.00	-	-	-
	5.00		4.50			4.00	
SUPPRESSION/EMS							
CAPTAIN	4.00	104,433.00	4.00	104,452.40	13/MAX	3.00	107,484.00
CAPTAIN	-	-	1.00	101,920.00	13/MAX-	2.00	104,728.00
FIRE LIEUTENANT	12.00	92,934.00	11.00	93,152.80	LTP/3 *	9.00	96,184.40
FIRE LIEUTENANT	-	-	1.00	83,506.80	LTP/1 *	3.00	86,262.80
FIREFIGHTER/PARAMEDIC	31.00	78,598.00	30.00	78,821.60	FFP/6 *	28.00	81,577.60
FIREFIGHTER/PARAMEDIC	2.00	73,198.00	3.00	73,309.60	FFP/5 *	3.00	75,790.00
FIREFIGHTER/PARAMEDIC	2.00	68,679.00	1.00	68,900.00	FFP/4 *	-	-
FIREFIGHTER/PARAMEDIC	1.00	53,934.00	1.00	55,671.20	FFP/1 *	5.00	54,017.60
EMS COORDINATOR	1.00	55,426.00	-	-	-	-	-
	53.00		52.00			53.00	
TOTAL FIRE/RESCUE DEPARTMENT	61.00		59.50			60.00	
PUBLIC WORKS							
GENERAL SERVICES							
PUBLIC WORKS DIRECTOR	1.00	111,924.95	1.00	113,152.00	17	1.00	116,272.00
ASSISTANT TO THE PUBLIC WORKS DIRECTOR	-	-	-	-	6/D	1.00	53,664.00
ENVIRONMENT QUALITY SUPERVISOR	-	-	1.00	69,472.00	9/F	1.00	71,552.00
SUPERINTENDENT - GENERAL SERVICES	1.00	77,865.00	1.00	80,288.00	12	1.00	82,576.00
OPERATIONS SUPERVISOR	1.00	71,576.00	1.00	73,840.00	9/MAX	1.00	75,920.00
PARK MAINTENANCE SUPERVISOR	1.00	65,502.00	-	-	-	-	-
ADMINISTRATIVE ANALYST	1.00	51,052.00	-	-	-	-	-
ADMINISTRATIVE ASSISTANT	1.00	44,495.00	-	-	-	-	-
CLEANING TECHNICIAN	1.00	39,590.00	0.50	40,976.00	-	-	-
ARBORIST	1.00	63,170.71	1.00	63,232.00	150/5J	1.00	65,104.00
MAINTENANCE WORKER II	-	-	-	-	150/FROZ	1.00	67,600.00
MAINTENANCE WORKER II	2.00	59,845.93	2.00	59,904.00	150/2J	2.00	61,568.00
MAINTENANCE WORKER II	1.00	55,866.82	1.00	57,824.00	150/2I	1.00	59,488.00
MAINTENANCE WORKER II	2.00	52,152.27	2.00	54,080.00	150/2G	1.00	55,536.00
MAINTENANCE WORKER II	1.00	48,684.70	1.00	50,544.00	150/2E	2.00	52,000.00
MAINTENANCE WORKER II	-	-	-	-	150/2C	1.00	48,464.00
MAINTENANCE WORKER I	1.00	54,858.77	1.00	54,912.00	150/1J	1.00	56,368.00
MAINTENANCE WORKER I	2.00	46,189.61	1.00	47,840.00	150/1F	1.00	49,088.00
MAINTENANCE WORKER I	1.00	43,118.50	1.00	44,720.00	150/1D	1.00	45,968.00
MAINTENANCE WORKER I	1.00	41,660.39	2.00	43,264.00	150/1C	1.00	44,512.00
MAINTENANCE WORKER I	1.00	40,251.59	1.00	41,808.00	150/1B	1.00	43,056.00
	20.00		17.50			19.00	
ENGINEERING							
CIVIL ENGINEER	-	-	-	-	10/B	1.00	66,768.00
ENGINEER TECHNICIAN	1.00	48,552.00	1.00	50,128.00	7/A	1.00	51,584.00
ENGINEER TECHNICIAN	1.00	46,240.00	1.00	48,672.00	7/MIN	1.00	50,128.00
ASSISTANT TO THE PUBLIC WORKS DIRECTOR	1.00	50,528.00	1.00	52,208.00	-	-	-
	3.00		3.00			3.00	
TOTAL PUBLIC WORKS DEPARTMENT - GENERAL FUND	23.00		20.50			22.00	

BUILDING AND ZONING						
DIRECTOR OF BUILDING AND ZONING	1.00	95,481.00	1.00	105,040.00	17	1.00 107,952.00
PLANNING MANAGER	1.00	79,408.00	1.00	81,744.00	12	1.00 84,032.00
ASSISTANT BUILDING MANAGER	1.00	76,140.00	1.00	78,416.00	12	1.00 80,704.00
OFFICE MANAGER - INSPECTIONS	-	-	1.00	42,016.00	5/MIN	1.00 45,344.00
PLUMBING INSPECTOR	1.00	64,930.00	1.00	66,976.00	10/C	1.00 68,848.00
ZONING INSPECTOR/ZONING PLAN REVIEWER	1.00	65,503.00	1.00	67,600.00	9/E	1.00 69,472.00
BUILDING INSPECTOR	1.00	55,427.00	1.00	58,240.00	9/MIN	1.00 59,904.00
CODE ENFORCEMENT INSPECTOR	1.00	46,240.00	-	-	-	- -
PERMIT COORDINATOR	1.00	41,941.00	1.00	44,096.00	5/MIN	1.00 45,344.00
ADMINISTRATIVE ASSISTANT	1.00	47,205.00	-	-	-	- -
TOTAL BUILDING AND ZONING DEPARTMENT	9.00		8.00			8.00
PARK & RECREATION						
PARKS AND RECREATION DIRECTOR	1.00	89,813.00	1.00	90,727.00	17	1.00 92,768.00
PARKS AND RECREATION SUPERVISOR	1.00	55,427.00	1.00	57,200.00	8/A	1.00 58,864.00
PARKS AND RECREATION SUPERVISOR	1.00	52,787.00	1.00	55,536.00	8/MIN	1.00 56,992.00
ADMINISTRATIVE ASSISTANT	1.00	47,205.00	-	-	-	- -
RECEPTIONIST	1.00	38,042.00	1.00	40,144.00	-	- -
PARKS AND FACILITIES MANAGER	-	-	1.00	67,600.00	-	- -
TOTAL PARKS AND RECREATION DEPARTMENT	5.00		5.00			3.00
TOTAL GENERAL FUND FULL TIME POSITION CONTROL	164.00		157.25			158.00
UTILITIES						
ASSISTANT DIRECTOR OF PUBLIC WORKS	1.00	96,051.00	1.00	99,008.00	-	- -
ASSISTANT VILLAGE ENGINEER	-	-	1.00	64,896.00	-	- -
SUPERINTENDENT - UTILITIES	1.00	79,598.00	1.00	81,952.00	12	1.00 84,240.00
OPERATIONS SUPERVISOR	1.00	73,724.00	1.00	73,840.00	9/MAX	1.00 75,920.00
WATER WORKS OPERATOR	1.00	65,664.29	-	-	-	- -
WATER WORKS OPERATOR	1.00	61,298.31	1.00	63,648.00	-	- -
WATER WORKS OPERATOR	1.00	51,611.53	1.00	53,456.00	150/3A	1.00 49,504.00
MAINTENANCE WORKER II	3.00	59,845.93	2.00	59,904.00	150/2J	2.00 61,568.00
MAINTENANCE WORKER II	1.00	52,152.27	1.00	54,080.00	150/2G	1.00 55,536.00
MAINTENANCE WORKER I	1.00	46,189.61	1.00	47,840.00	150/1F	1.00 49,088.00
MAINTENANCE WORKER I	-	-	1.00	40,352.00	150/1A	3.00 41,392.00
METER READER	1.00	43,222.06	1.00	43,264.00	150/6J	1.00 44,512.00
TOTAL WATER AND SEWER FUND	12.00		12.00			11.00
VEHICLE MAINTENANCE						
SUPERINTENDENT - FLEET SERVICES	1.00	82,109.00	1.00	84,656.00	12	1.00 86,944.00
MECHANIC II	1.00	65,664.29	1.00	65,728.00	150/4J	1.00 67,600.00
MECHANIC II	1.00	53,417.94	1.00	55,328.00	150/4E	1.00 56,784.00
TOTAL VEHICLE MAINTENANCE FUND	3.00		3.00			3.00
TOTAL VILLAGE WIDE FULL TIME POSITION CONTROL	179.00		172.25			172.00

VILLAGE OF LAKE ZURICH

ORDINANCE NO. 2011-04-774

AN ORDINANCE ADOPTING THE ANNUAL BUDGET
OF THE VILLAGE OF LAKE ZURICH
FOR ALL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING MAY 1, 2011
AND ENDING APRIL 30, 2012

WHEREAS, the Village of Lake Zurich previously adopted Sections 8-2-9.1 through 8-2-9.10 of the Illinois Municipal Code, 65 ILCS 5/8-2-9.1 through 8-2-9.10, ("State Budget Law") by a two-thirds majority vote of the Board of Trustees then holding office, in accordance with Section 8-2-9.1 of the State Budget Law; and

WHEREAS, the Village Administrator, as the duly appointed Budget Officer of the Village of Lake Zurich, has compiled a budget containing estimates of revenues available to the Village, and expenditure recommendations, for the Village's fiscal year commencing May 1, 2011, and ending April 30, 2012 (the "2011-2012 Fiscal Year"), in accordance with the State Budget Law; and

WHEREAS, the Board of Trustees of the Village of Lake Zurich made a tentative annual budget for the 2011-2012 Fiscal Year conveniently available to public inspection for at least 10 days prior to the passage of this Ordinance, in accordance with the State Budget Law; and

WHEREAS, not less than one week after publication of the tentative annual budget, and prior to final action of the Board of Trustees on the budget, the Board of Trustees held a public hearing on the tentative annual budget pursuant to notice of that public hearing given at least one week in advance of the time of the public hearing by publication in a newspaper having a general circulation in the Village, all in accordance with the State Budget Law; and

WHEREAS, the Board of Trustees have determined that all required and necessary processes and steps have been completed in accordance with applicable law for consideration and passage of an annual budget for the 2011-2012 Fiscal Year;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake Zurich, Lake County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are incorporated herein as findings of the Board of Trustees.

Section 2. Approval of Annual Budget for 2011-2012 Fiscal Year. The Board of Trustees hereby approves an annual budget for the fiscal year commencing May 1, 2011, and ending April 30, 2012, in the form attached to and by this reference incorporated into this Ordinance as Exhibit A (the "2011-2012 Budget").

Section 3. Authority of Budget Officer. The Board of Trustees hereby delegates authority to the Village Administrator, as the Village's Budget Officer, to delete, add to, change, or create sub-classes within object classes budgeted previously to any department, board, or commission.

Section 4. Effective Date. This Ordinance will be in full force and effect from and after its passage, approval, and publication in the manner provided by law. The Village Clerk is authorized and directed to file a certified copy of this Ordinance, together with a full and complete copy of the 2011-2012 Budget adopted by this Ordinance, with the Lake County Clerk within 30 days after the adoption of this Ordinance.

PASSED this 27 day of April 2011.

AYES: 5 Trustees Johnson, Boynton, Rzeznic, Sprawka, Sustek

NAYS: 0

ABSENT: 1 Trustee Halen

APPROVED this 27 day of April 2011.


Suzanne K. Branding, Village President

ATTEST:


Kathleen Johnson, Acting Village Clerk

Published: 5-4-11

CERTIFICATION

I, Susan T. Ragsdale, do hereby certify that I am the duly appointed, acting and qualified Deputy Village Clerk of the Village of Lake Zurich, Lake County, Illinois, and that as such Deputy Village Clerk, I am the keeper of the records and minutes and proceedings of the Village President and Board members of said Village.

I do hereby further certify that at a regular meeting of the Village of Lake Zurich Board of Trustees, held on the 27th day of April, 2011, the foregoing Ordinance entitled:

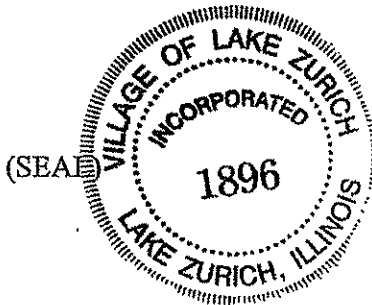
AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE
VILLAGE OF LAKE ZURICH FOR ALL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING MAY 1, 2011
AND ENDING APRIL 30, 2012.

was duly passed by said Village Board.

The pamphlet form of Ordinance No. 2011-04-774 was prepared, and a copy of such Ordinance was posted in the Village Hall, commencing on the 4TH day of May, 2011, and will continue for at least 10 days thereafter. Copies of such Ordinance are also available for public inspection upon request in the office of the Village Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Deputy Village Clerk of said Village for safekeeping, and that I am the lawful custodian and keeper of the same.

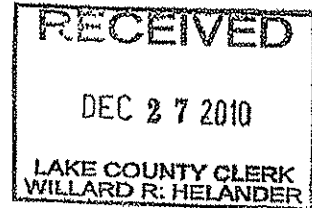
Given under my hand and corporate seal of the Village of Lake Zurich this 4th day of May, 2011.



Susan T. Ragsdale

Susan T. Ragsdale
Executive Assistant/Deputy Village Clerk
Village of Lake Zurich
Lake County, Illinois

VILLAGE OF LAKE ZURICH
ORDINANCE NO 2010-12-741
ANNUAL TAX LEVY ORDINANCE



WHEREAS, the President and Board of Trustees of the Village of Lake Zurich, County of Lake and State of Illinois, did on April 26, 2010 adopt and approve the Budget for said Village for the fiscal year commencing May 1, 2010 and ending April 30, 2011 the amount of said budget being the aggregate sum of \$37,124,333; and

WHEREAS, the Corporate Authorities of the Village of Lake Zurich have ascertained that the total amount of appropriations budgeted for in 2010 and amounts deemed necessary to defray additional expenses and liabilities for all corporate purposes to be provided for by the tax levy for the fiscal year commencing May 1, 2011 and ending April 30, 2012 amounts to \$6,460,856; and

WHEREAS, the Corporate Authorities of the Village of Lake Zurich acknowledge that for accounting purposes the total amount received from the tax levy shall be recognized as revenue during the fiscal year that begins on May 1, 2011 and ends on April 30, 2012, and

WHEREAS, the President and Board of Trustees properly noticed and conducted, on December 6, 2010, public hearings on a proposed tax levy, all in accordance with the requirements of the Illinois Truth-In-Taxation Act, Illinois Compiled Statutes Ch. 35, {215 et seq.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LAKE ZURICH, LAKE COUNTY AND STATE OF ILLINOIS, as follows:

Section 1. Recitals. The foregoing recitals are hereby incorporated into this Ordinance as findings of the President and Board of Trustees.

Section 2. Tax levy. There shall be and is hereby levied on all taxable property within the corporate limits of said Village for the fiscal year commencing May 1, 2011 and ending April 30, 2012, the sum of \$6,280,856 for General Corporate purposes, and the sum of \$180,000 for special purposes, making a combined levy of \$6,460,856 as set forth in the attached Exhibit A, which Exhibit A is by this reference hereby fully incorporated into and made a part of this ordinance.

Section 3. Unexpended Balance. Any unexpended balance of any item or items levied in and by this Ordinance may be expended in making up any deficiency in any items under the same general budget and levy for the same general purpose.

Section 4. Filing with County Clerk. The Village Clerk is hereby authorized and directed to file a certified copy of this Ordinance, with the County Clerk of Lake County,

Illinois, prior to December 28, 2010, and in accordance with law, so that said tax may be extended and collected according to law.

Section 5. Severability. Should any clause, sentence, paragraph, or part of this Ordinance be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the Ordinance as a whole or of any part of this ordinance other than the part so declared to be invalid.

Section 6. Effective Date. This Ordinance shall be in full force and effect immediately on, and after, its passage by two-thirds of all Corporate Authorities now holding office and approval, the corporate authorities hereby finding and declaring that the matters contained herein are matters of urgency. The Village Clerk is hereby authorized and directed to immediately cause this Ordinance to be published in pamphlet form in the manner provided by law.

PASSED this 6 day of December 2010.

AYES: 5 Halen, Johnson, Poynton, Sprawka, Sustich

NAYS: 0

ABSENT: 1 Rzezniak

APPROVED this 6 day of December 2010.

Suzanne K. Branding
Suzanne K Branding, Village President

ATTEST:

Kathleen Johnson
Kathleen Johnson, Acting Village Clerk

TRUTH IN TAXATION
CERTIFICATE OF COMPLIANCE

I the undersigned, certify that I am the presiding Chief Executive Officer/Village President of the Village of Lake Zurich, and as such presiding officer, I also certify that Ordinance No. ~~301b-12-741~~ a copy of which is attached, was adopted pursuant to, and in all respects in compliance with the tax provisions of Public Act 87-17, Sections 18-60 through 18-85 of the "Truth in Taxation" law. The Village held a public hearing on December 6, 2010 (copy of public notice attached) to give residents an opportunity to comment on the requested levy.

This certificate applies to the 2010 levy.

Date: December 8, 2010

Village President:

Suzanne K. Branding
Suzanne K. Branding



Village of Lake Zurich, Illinois
2010 Tax Levy at \$906,034,255 EAV

Exhibit A

Fund	Tax Levy Requirement	Abatements	Village 2010 Levy	Provision for Loss & Cost in Collections	Total County 2010 Extension	2009 Final Extended Levy	Tax Rate
Corporate Purposes:							
Corporate Use	2,285,086	-	2,285,086	193,826	2,458,911	107,765	0.250
Police Protection	679,525	-	679,525	-	679,525	871,093	0.075
Fire Protection	679,525	-	679,525	-	679,525	790,270	0.075
Ambulance	135,905	-	135,905	-	135,905	745,368	0.015
IMRF	51,957	-	51,957	-	51,957	242,469	0.006
Social Security	-	-	-	-	-	844,152	0.000
Insurance	-	-	-	-	-	664,545	0.000
Total Corporate Purposes	3,811,998	-	3,811,998	193,826	4,005,823	4,265,662	0.421
Pension:	1,237,597	-	1,237,597	-	1,237,597	962,113	0.137
Police	1,231,261	-	1,231,261	-	1,231,261	933,958	0.136
Fire	2,468,858	-	2,468,858	-	2,468,858	1,796,069	0.272
Total Pensions	6,280,856	-	6,280,856	193,826	6,474,681	6,061,731	0.693
Total Levy Subject to PTELL	180,000	-	180,000	-	180,000	179,607	0.020
Special Recreation Levy	6,460,856	-	6,460,856	193,826	6,654,681	6,241,338	0.713
Total Levy Request	151,238	(151,238)	-	-	-	-	-
Debt Service Levy:							
GO TIF ARB Series 2002	463,062	(463,062)	-	-	-	-	-
GO TIF ARB Series 2009A	71,826	(71,826)	-	-	-	-	-
GO TIF ARB Series 2009B	174,030	(174,030)	-	-	-	-	-
GO TIF ARB Series 2009C	522,562	-	522,562	5,341	527,903	538,857	0.058
GO Bond Series 2008A	470,000	-	470,000	4,803	474,803	440,000	0.052
GO Bond Series 2011	244,762	(244,762)	-	-	-	-	-
GO Water and Sewer ARB Series 2002	278,609	(278,609)	-	-	-	-	-
GO Water and Sewer ARB Series 2003B	102,375	(102,375)	-	-	-	-	-
GO Water and Sewer ARB Series 2003D	499,000	(499,000)	-	-	-	-	-
GO Water and Sewer Series 2006	2,977,464	(1,984,902)	992,562	10,144	1,002,706	978,657	0.110
Total Debt Service Levy	9,438,320	(1,984,902)	7,453,418	203,970	7,657,387	7,220,195	0.823
Total Village of Lake Zurich 2010 Levy Request	9,438,320	(1,984,902)	7,453,418	203,970	7,657,387	7,220,195	103.23

(1) The 2009 Equalized Assessed Value (EAV) of the Village is \$998,034,255

The EAV for 2010 is projected to be \$906,034,255 (prior to any reassessments).

(2) The 2009 tax rate for the Village is 0.804 while the 2010 tax rate is projected to be 0.824

(3) Abatements will be funded from alternate revenue sources. Those sources are either Incremental TIF Revenues or Water and Sewer Fund Revenues

(4) Provisions for Loss and Cost In Collections are equal to 3% of the Net Tax Levy for Non-Debt Service and at 1.022% for Debt Service.

Village of Lake Zurich, Illinois
2010 Tax Levy at \$795,045,059 EAV

Exhibit A

Fund	Tax Levy Requirement	Abatements	Village 2010 Levy	Provision for Loss & Cost In Collections	Total County 2010 Extension	2009 Final Extended Levy
Corporate Purposes:						
Corporate Use	1,987,613	-	1,987,613	193,826	2,181,438	107,765
Police Protection	596,284	-	596,284	-	596,284	871,093
Fire Protection	596,284	-	596,284	-	596,284	790,270
Ambulance	118,257	-	118,257	-	118,257	745,368
IMRF	477,027	-	477,027	-	477,027	242,469
Social Security Insurance	35,534	-	35,534	-	35,534	844,152
Total Corporate Purposes	3,811,998	-	3,811,998	193,826	4,005,823	4,265,662
Pension:	1,237,597	-	1,237,597	-	1,237,597	862,113
Police Fire	1,231,261	-	1,231,261	-	1,231,261	933,958
Total Pensions	2,468,858	-	2,468,858	-	2,468,858	1,796,069
Total Levy Subject to PTELL	6,280,856	-	6,280,856	193,826	6,474,681	6,061,731
Special Recreation Levy	180,000	-	180,000	-	180,000	179,607
Total Levy Request	6,460,856	-	6,460,856	193,826	6,654,681	6,241,338
Debt Service Levy:						
GO TIF ARB Series 2002	151,238	(151,238)	-	-	-	-
GO TIF ARB Series 2009A	463,062	(463,062)	-	-	-	-
GO TIF ARB Series 2008B	71,826	(71,826)	-	-	-	-
GO TIF ARB Series 2009C	174,030	(174,030)	-	-	-	-
GO Bond Series 2008A	522,562	-	522,562	5,341	527,903	538,857
GO Bond Series 2011	470,000	-	470,000	4,803	474,803	440,000
GO Water and Sewer ARB Series 2002	244,762	(244,762)	-	-	-	-
GO Water and Sewer ARB Series 2003B	278,609	(278,609)	-	-	-	-
GO Water and Sewer ARB Series 2003D	102,375	(102,375)	-	-	-	-
GO Water and Sewer Series 2006	489,000	(489,000)	-	-	-	-
Total Debt Service Levy	2,977,464	(1,984,902)	992,562	10,144	1,002,706	978,857
Total Village of Lake Zurich 2010 Levy Request	9,438,320	(1,984,902)	7,453,418	203,970	7,657,387	7,220,195

Notes

- (1) The 2009 Equalized Assessed Value (EAV) of the Village is \$898,034,255
The EAV for 2010 is projected to be \$795,045,059
- (2) The 2009 tax rate for the Village is 0.804 while the 2010 tax rate is projected to be 0.939
- (3) Abatements will be funded from alternate revenue sources. Those sources are either Incremental TIF Revenues or Water and Sewer Fund Revenues
- (4) Provisions for Loss and Cost in Collections are equal to 3% of the Net Tax Levy for Non-Debt Service and at 1.022% for Debt Service.

CERTIFICATION

I, Susan T. Ragsdale, do hereby certify that I am the duly appointed, acting and qualified Deputy Village Clerk of the Village of Lake Zurich, Lake County, Illinois, and that as such Deputy Village Clerk, I am the keeper of the records and minutes and proceedings of the Village President and Board members of said Village.

I do hereby further certify that at a regular meeting of the Village of Lake Zurich Board of Trustees, held on the 6th day of December, 2010, the foregoing Ordinance entitled:

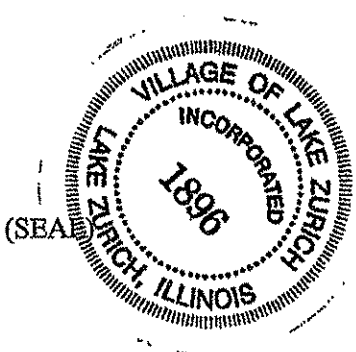
ANNUAL TAX LEVY ORDINANCE.

was duly passed by said Village Board.

The pamphlet form of Ordinance No. 2010-12-741 including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the City Hall, commencing on the 13TH day of December, 2010, and will continue for at least 10 days thereafter. Copies of such Ordinance are also available for public inspection upon request in the office of the Village Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Deputy Village Clerk of said Village for safekeeping, and that I am the lawful custodian and keeper of the same.

Given under my hand and corporate seal of the Village of Lake Zurich this 13th day of December, 2010.



Susan T. Ragsdale

Susan T. Ragsdale
Executive Assistant/Deputy Village Clerk
Village of Lake Zurich
Lake County, Illinois

GLOSSARY OF TERMS

The Annual Budget contains terminology unique to public finance and budgeting. This glossary was prepared to assist the reader of this document in the understanding of some of these terms.

Abatement: A partial or complete cancellation of a levy imposed by the Village. Abatements usually apply to tax levies special assessments and service charges. These taxes are abated when alternate revenues are sufficient to cover Village obligations

Agency Fund: A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

Appropriation: A legal authorization granted by the Village Board to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed Valuation: A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Township Assessor.)

Assets: Property owned by a government.

Audit: A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of the presentation of the Village's financial statements. The audit tests the Village's account system to determine whether the internal accounting controls are both available and being used.

Balance Sheet: That portion of the Village's financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.

Basis of Accounting: A term used when revenues, expenditures, expenses, transfers, assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the case, modified accrual or the accrual method.

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for the financing of capital improvements.

Budget: A policy document of Village financial operations which includes an estimate of proposed expenditures and a proposed means of financing them. The term used without any modifier usually indicates a financial plan for a single operating year. The budget is the primary means by which the expenditure and service levels of the Village are controlled.

Budget Message: The opening section of the budget document which provides the Village Board and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Administrator.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activates of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity and minimal risk with these temporary cash balances.

Certificate of Deposit: A negotiable or non-negotiable receipt for monies deposited in a bank of financial institution for a specified period for a specified rate of interest.

Charges for Service: A category of revenues that includes monies paid to the Village for the delivery of goods or services, such as Ambulance Fees, Water/Sewer Fees and Parks/Rec Program Fees.

Debt: A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.

Deficit: The excess of expenditures or expenses over revenues or income during a single accounting period.

Department: A major administrative division of the Village which indicates overall management responsibility for an operation.

Depreciation: The allocation of the cost of a fixed asset over the assets useful. Through this process the entire cost of this asset less any salvage value is ultimately charged off as an expense. This method of cost allocation is used in proprietary funds.

Enterprise Fund: A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Expenditures: Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental transfers.

Expenses: Charges incurred, whether paid or unpaid, resulting from the delivery of Village services.

Fines and Forfeitures: A category of revenues that include monies legally forfeited to the Village based on State Law or Village Ordinance, such as the Administrative Tow Fee and Circuit Court Fees.

Fiscal Policy: The Village's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year: A 12 month period to which the Village's annual operating budget applies and at the end to which the Village determines its financial position and the results of its operation. The Village has specified May 1 to April 30 as its fiscal year. Thus, Fiscal Year 2012 consists of May 1, 2011 through April 30, 2012.

Fixed Assets: Assets of a long term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

Fund: An accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: The fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

Generally Accepted Accounting Principals (GAAP): Uniform standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

General Obligation Bonds: Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the Debt Service Fund, and these bonds are backed by the full faith and credit of the issuing government.

Governmental Fund Types: Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities, except those accounted for in proprietary and trust funds. In essence, these funds are accounting segregation of financial resources. Expendable assets are assigned to a particular governmental fund type according to the purposes for which they may or must be used. Current liabilities are assigned to the fund type from which they are to be paid. The difference between the assets and the liabilities of governmental fund types is referred to as fund balance. The measurement focus in these fund types is on the determination of financial position and changes in financial position (sources, uses and balances of financial resources), rather than on net income determination. The statement of revenues, expenditures and changes in fund balance is the primary governmental fund type operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers and other changes in fund balance. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

Income: A term used in proprietary fund type accounting to represent (1) revenues, or (2) the excess of revenues over expenses.

IRMA (Intergovernmental Risk Management Agency): An organization of 50 municipalities in the six county collar areas around Chicago which joined together to pool insurance risk, cost,

and coverage. IRMA, through its risk-sharing provisions, provides the Village with coverage for liability, property damage, automobile, and worker's compensation insurance.

Intergovernmental Revenue: A category of revenues that includes funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges: A category of revenues that includes charges for services performed by the Village for other Village departments

Levy: (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by the Village.

Liability: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

Licenses/Permits/Fees: A category of revenues that includes money charged directly to a customer in exchange for inspection and regulation of a certain activity in order to benefit the health, safety and welfare of the community.

Local Taxes: A category of revenues that includes taxes directly imposed by the Village, such as the Property Tax, Utility Tax, Telecommunications Tax and Hotel/Motel Tax

MFT: Motor Fuel Tax

Modified Accrual Basis: The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, which is when they become both "measurable" and "available" to financial expenditures of the current period: "Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditure either when purchased, or when used, and (2) prepaid insurance on similar items that may be considered expenditures either when paid for or when consumes. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Net Income: Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers in over operating expenses, non-operating expenses, and operating transfers out.

NHRST: Non-Home Rule Sales Tax. A local tax approved by referendum in November 2010. It is a .5% sales tax whose revenues are dedicated to the maintenance and operations, repair, replacement, or reconstruction of Village infrastructure

Objectives: A set of systematic targets that align Village Strategic Goals and Village operations. Objectives are created by the Village management team.

Operating Revenues: Total net revenues collected by the Village. This does not include internal transactions such as inter-fund transfers and internal service charges.

Program: A division of related tasks inside each department used for budgetary and fund accounting purposes.

Property Tax: Taxes levied on real property according to the property's valuation and the tax rate.

Proprietary Fund Types: The classification used to account for a Village's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the GASB has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.

Retained Earnings: An equity account reflecting the accumulated earnings of the Village's Proprietary Funds.

Revenue: Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Strategic Goals: A set of philosophies and purposes set by the Village Board that fulfills the Village Mission

Strategies: Blueprints used to accomplish Village objectives using department-specific resources.

TIF: Tax Increment Financing

Tax Increment District: A legal entity created by local resolution to promote improvements, jobs, etc. The taxes generated from the assessed value "increment" above the base year is used to finance the costs of the improvements which generate the increased assessed valuation.

Tax Levy: The total amount to be raised by general property taxes for operating and debt service purposes.

Tax Rate: The amount of tax levied for each \$100 of assessed valuation.

Trust Funds: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.