

VILLAGE OF OREGON

Overview of 2009 and 2010
Budgets at July 20, 2009
Village Board meeting



Major Impacts on 2009 Deficit

- In 2009 we have had a \$60,000 decrease in building permit fees and a \$60,000 decrease in investment income.
- We have already decided to not fill the planner position and the vacant position in the front office.
- Even after not filling the two positions we have a \$50,000 deficit in the General Fund.
- As a result we reduced the summer help for mowing the parks and greenways
- Also continued the review of expenditures over \$100 by Village Administrator



Board Direction

- On July 20th the Village Administrator will discuss with the Village Board what needs to be done in 2009 to eliminate the deficit. By Nov 1st we need to have a proposed deficit of zero as we go into 2009 plowing season.



Raises and Furloughs

- The Village Administrator and Department Heads are not taking a wage increase in 2009
- If every Village employee took one furlough day, the savings is \$11,000
- Village has implemented a voluntary unpaid leave policy for 2009 (initial response results in a potential savings of \$12,000). Many of the employees that have signed up for the voluntary unpaid leave have commented they have done so to prevent layoffs.
- At least six to ten other employees have offered to take days off or adjust their pay in 2009 to prevent layoffs
- Village Staff and Board members appreciate the response and cooperation we have received from employees



Raises and Furloughs

- If Union contracts for 2009 and 2010 are finalized with terms equal to what are currently being discussed, the projected deficit in 2009 is almost eliminated and the possibility of mandatory furlough days and/or layoffs in 2009 is unlikely.
- For 2010, we anticipate some possible mandatory furlough days, but they would be more limited than we first thought. Layoffs remain a possibility but are not anticipated.



Raises and Furloughs

- This discussion assumes, as discussed previously, leaving the front office position open, not filling the opening created by the anticipated retirement in the police department, not filling the planner position, and not hiring any summer LTEs in 2010.
- Many municipalities are currently laying people off and requiring mandatory furlough days. The Village appreciates the cooperation received to date from Village employees which will likely make layoffs unnecessary and will significantly decrease the need for mandatory furlough days.



Raises and Furloughs

- If unbudgeted costs arise or additional income stream cuts occur during the remaining months of 2009 (or 2010) which cause the deficit to significantly increase, the Village Administrator and Department Heads would first attempt to make additional operational cuts prior to considering furlough days.



Questions we are hearing

- Is the deficit because of purchasing the homes on Florida Avenue? The deficit is not because of purchasing the homes on Florida Avenue
- This is being funded by grants and an advance which will be paid back by Developer Storm water Fees



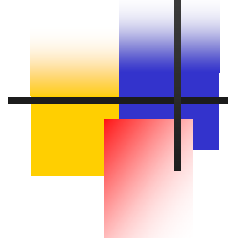
Questions we are hearing

- Why are we doing downtown projects when we have a deficit. The downtown Projects are being funded by the 2008 borrowing. Proceeds from the 2008 borrowing cannot be given back for 10 years (called “calling the bonds”). The proceeds can only be spent on street and utility work in TIF #3. We have received great bids (significantly under the engineer’s estimates) which has allowed the Village to complete additional projects.



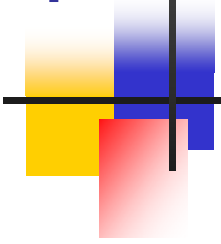
Questions we are hearing

- What is fund balance used for?
- Fund balance provides cash flow for the village. Our expenditures are fairly consistent month to month. Revenues are not consistent month to month. The majority of Village funds come in a few months of the year (taxes and state aid).



Fund Balance cont.

- Fund balance also provides the Villages with funds for unanticipated expenditures (such as the tornado that hit in Stoughton and a major crime scene in Verona)



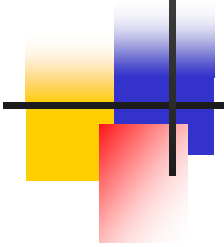
Impacts of the Economy on the 2009 Budget

- The Library has seen a 13% increase in circulations from June 2008 to June 2009
- The Library is also seeing an increase in the time spent with reference questions
- Frequently the library staff is assisting people using the computer to apply for a job. Many of these people are not familiar with computers.

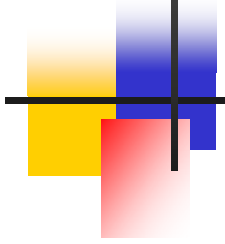


Impacts of the Economy on the 2009 Budget

- In 2008 the Police Department went over 10,000 calls for service which was a 37% increase from 2007.
- As of June 30, 2009 we are over 6,000 calls for service which is a 11% increase.



2010 BUDGET



2010 Budget

- Because of the anticipated issues with the 2010 Budget Village Staff started working on the 2010 budget in April.
- To date we have prepared the 2010 Budget with 7 different scenarios trying to identify the best way to deal with the 2010 deficit and positioning the budget for what could be a even more challenging budget in 2011.



Impacts on the 2010 Budget

- Levy Limit is net new construction or 3% our net new construction was 2.53%
- We have an almost \$30,000 deduction on our tax levy due to the assessor error on the 2008 final assessment report



2010 Levy

- The Levy for 2010 is calculated to be \$4,211,895
- \$871,532 is needed for debt payments
- \$3,340,364 is available for General Fund
- \$416,325 is required to meet the State Required Maintenance of Levy needed for the Library Levy Requirement



2010 Levy

- \$1,614,594 to meet the Police maintenance of effort
- \$284,471 to meet the Fire maintenance of effort
- This leaves levy of \$1,024,974
- 2009 Levy requirement less other revenues for all other departments was \$974,197
- The levy remaining for increases in 2010 is \$50,777



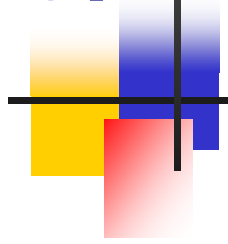
2010 Expenditure Changes

- Increase in Village 2010 health cost is \$50,372
- Increase in other insurance \$8,706
- Increase in street lighting costs \$3,630
- The cost per ton for salt has gone from \$42 to \$60 for the 2009/2010 plowing season.



2010 Revenue Changes

- Decrease in State Share Revenue
almost \$40,000
- Anticipated decrease in Transportation
Aids is almost \$15,000
- Anticipated decrease in Recycling Grant
\$10,000



State Share Revenue since 1999

Year	Amount	% of GF Revenues
1999	387,397	12.50%
2000	354,857	
2001	337,334	
2002	340,612	
2003	343,711	
2004	266,603	
2005	266,942	
2006	266,960	
2007	265,943	
2008	265,899	
2009	265,847	
2010	233,214	4.45%

07/20/2009 ■ Decrease since 1999 45.20%



Transportation Aids since 1999

Year	Amount	% of GF Revenues
1999	299,869	12.50%
2000	238,866	
2001	238,866	
2002	274,696	
2003	315,900	
2004	333,915	
2005	326,909	
2006	329,349	
2007	330,686	
2008	314,152	
2009	298,444	
2010	283,522	5.65%

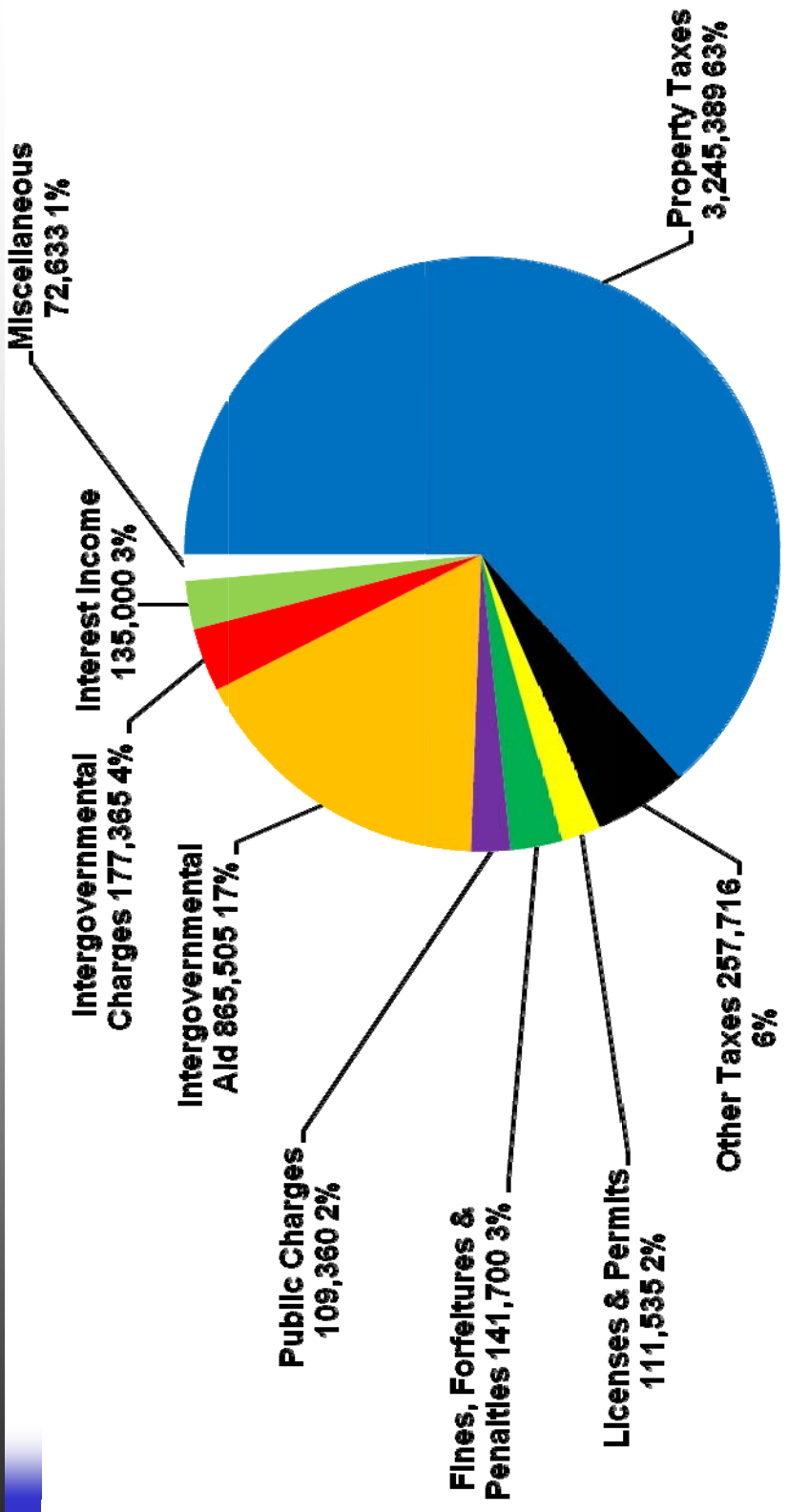
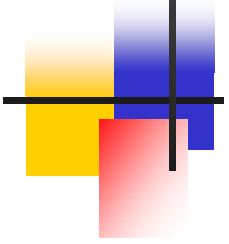
07/20/2009 ■ Decrease since 2004 15.09%



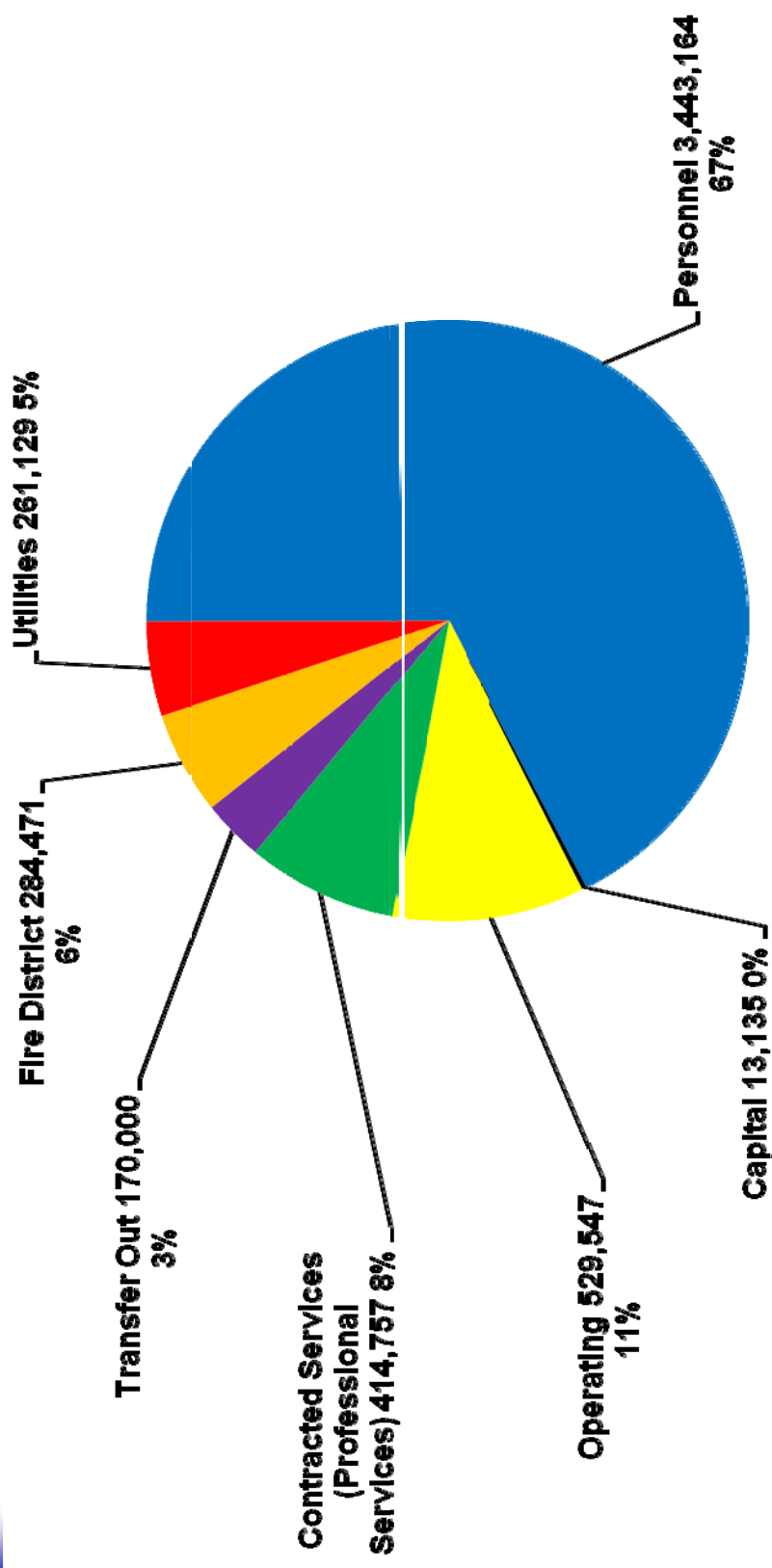
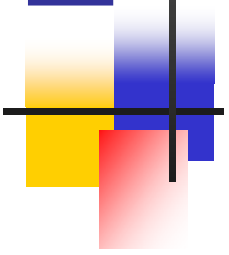
2010 Service Changes

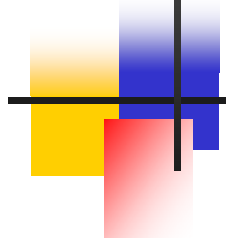
- Possibly not fill a potential vacancy in the Police Department
- Elimination of three seasonal personnel to mow the parks and greenways
- Possible changes in Library Hours
- Probably changes in hours at Clerk's office
- Changes to brush, leave and yard waste programs

2009 Budgeted General Fund Revenues by Category



2009 Budgeted General Fund Expenditures by Type





Impacts on Future Budgets

- Our building permits are down this year which means we need to anticipate our 2011 levy being a 3% increase (2009 construction determines levy for 2011 Budget)
- Anticipate continued decrease in Transportation Aids and Recycling Grant
- Per the Current State Budget the 2011 State Share Revenue would remain the same as 2010



Ehlers Conference in Feb 09

- Standard and Poor's talked about the importance of preparing 2 year budgets
- Anticipate State Sales tax increase in July 2010.
- Municipalities lag about 18 months behind the State when the economy starts to improve.