



The Village of Oak Park
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December 12, 2006

Village President Pope and Village Board of Trustees
Residents of the Village of Oak Park, Illinois

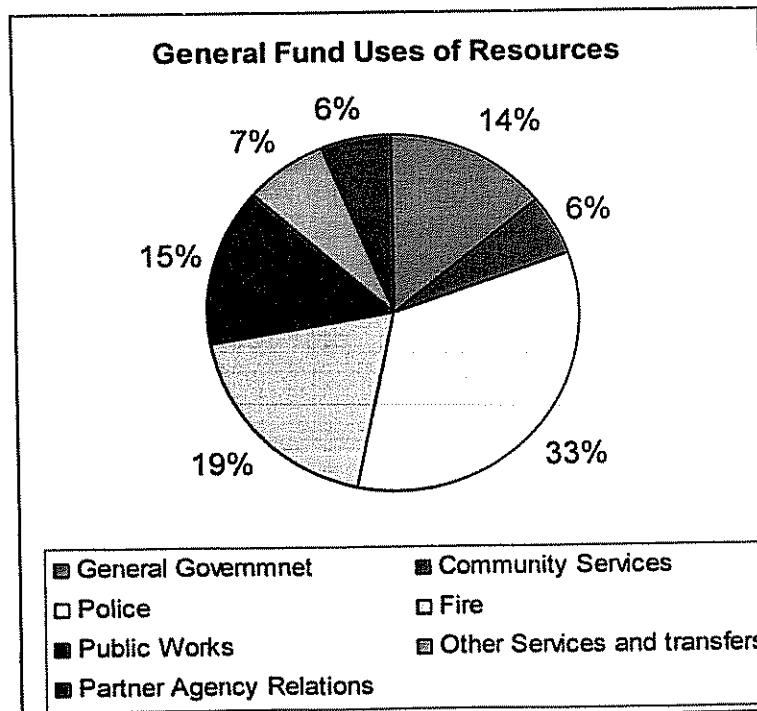
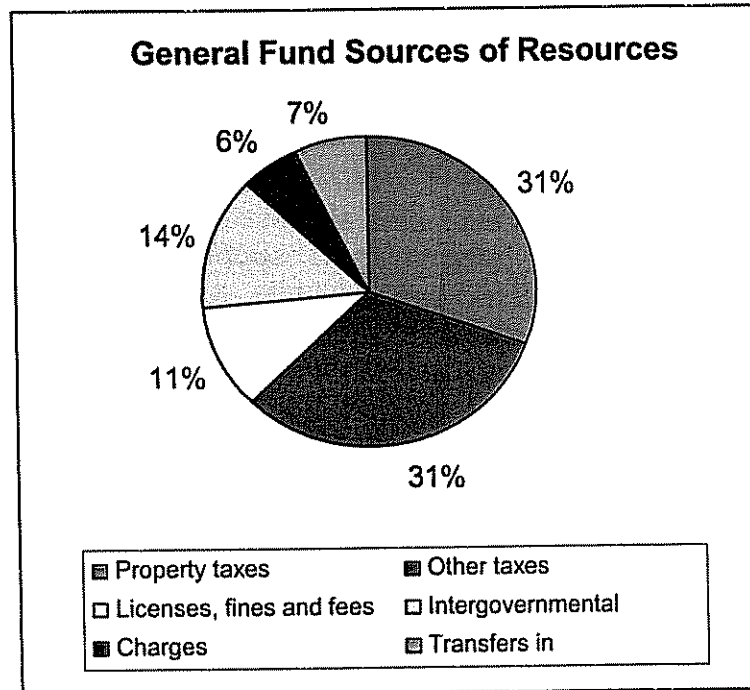
Transmitted herewith in is the 2007 Budget for the Village of Oak Park, Illinois for the fiscal year beginning January 1, 2007. Included in this document are macro level revenue and expenditure estimates and estimated changes in budgetary fund balances. The macro level information is supplemented by micro level fund descriptions and program objectives, revenue and expenditure detail, staffing levels, and partner agency budgets which include Village funding. This document is designed to provide the road map that the Village staff will follow during the coming year. Because this document was generated at a point in time, amendments to this budget may be necessary to maintain the focus of our activities on the achievement of the goals of the Village Board.

As we look forward to the 2007 fiscal year, our current and estimated 2006 ending financial position in the Village's General and other funds have resulted in the staff continuing a review of our current operating revenues and expenditures compared to the service expectations of the community. To facilitate our review this budget includes funding for a comprehensive citizen survey and continued participation in the ICMA Center for Performance Measurement. These activities and related information will provide us with important tools to focus our staff and financial resources on meeting the needs of our community.

I am pleased to state that the 2007 Budget was developed through the cooperative efforts of staff and the Board of Trustees. This effort consisted of staff developing plans to meet Board goals with subsequent review by the Board of the methods to be utilized and estimates of resources necessary in meeting these goals. During this process; operational efficiencies, cost reductions and related savings were developed in a cooperative effort.

2006 Budget Highlight

The General Fund is the chief operating fund of the Village which is used to account for revenues and expenditures associated with providing core Village services. Budgeted sources and uses of general fund resources are as follows:



Significant fluctuations from the 2006 to the 2007 budget are as follows:

General fund

- Full funding for all budgeted staff positions was included in this year's budget. We understand that there will be turnover within the Village staff, therefore this budget also includes an allowance for vacant positions. This new approach to budgeting for full staffing has resulted in those departments having the highest number of budgeted staff showing larger increases over 2006 budget levels.
- Budgeted staff levels are very consistent with the 2006 budget.
- Expenditures increased by approximately 3.7% from 2006.
- Revenues are budgeted to increase approximately \$2,000,000 of which \$600,000 is from additional property taxes for police and fire pension contributions, \$500,000 is from changes in the building permit fees structure, \$400,000 is from increased income tax distributions from the state and the remaining \$500,000 is from various sources.
- Fund balance as a percentage of expenditures in the general fund is projected to be approximately 18% at the end of 2007 which is 2% short of the Board target of 20%.

Water Fund

- A 5% increase in water rates has been included to maintain the current operating and maintenance levels.
- Over \$1,000,000 is budgeted for system replacement and improvements.

Sewer Fund

- A 5% increase in sewer rates has been included to maintain the current operating and maintenance levels.
- Over \$1,750,000 is budgeted for system replacement and improvements.

Solid Waste Fund

- A 3% increase in solid waste collection fees has been included as a result of a 3% increase in the contracted collection fee.

Downtown TIF Fund

- Construction costs of \$5,000,000 are budgeted for the Marion Street Project

Building Improvement Fund

- Approximately \$9,000,000 is budgeted for the completion of the Public Works Building.

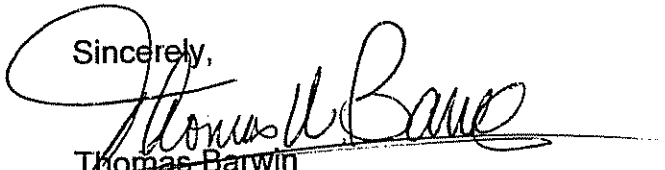
Capital Improvement Fund

- Approximately \$9,000,000 is budgeted for street and sidewalks infrastructure projects.

Conclusion

This budget was a cooperative effort of all Village departments and the Village Board. I wish to thank the Village President and Board of Trustees, the management team and the Finance Department for their effort in providing guidance and direction in the production of this budget.

Sincerely,



Thomas Barwin
Village Manager