

September 29, 2009

Dear Village President and Board of Trustees:

I am pleased to submit the proposed balanced budget for Fiscal Year 2010.

These budget recommendations have evolved over the past year in response to the continuing recession which has resulted in declining revenues. The effect of the downturn in the housing and general economy has reached the municipal budget level. Historically reliable revenue streams that have supported Village services have dropped dramatically. The effect the economic downturn has had on the real estate transfer tax, our local share of state income taxes and sales taxes and building permits – all critical sources of municipal funding – has created the most challenging fiscal circumstances the Village has faced in many years, amounting to a \$2 million FYE 09 shortfall.



While the U.S. economy may be coming out of recession mode, the full impact of the recession is just now being felt by municipal governments. As our revenues have declined, fuel, energy, road salt, materials and select labor divisions have recently increased, a reality that is likely to continue in the year ahead and beyond. Yet, the need for public services has not changed. Therefore, the goal for municipal staff in 2010 is to ensure that vital services continue to be delivered at expected levels in a timely, cost-effective manner, as we strive to restructure our operations to live within our means.

But the challenges we face go beyond service delivery. We must also continue to work to overcome long-term program deficits, restore fund balances and continue to build a rainy day fund that can help lessen the short-term impact of future economic downturns. These challenges may seem far removed from the concerns of individual citizens, but they are the fundamental building blocks of sound fiscal policy.

As we look to the year ahead, the recommendations in the 2010 budget maintain a focus on living within our means, while preserving the programs that embody the primary mission of municipal government – keeping the public safe and maintaining the infrastructure essential to everyday life in our community.

All is not bleak in the year ahead. The fiscal discipline and services-examinations which has been occurring over the past two years, and will continue in 2010, has begun to lead toward efficiencies and innovations, such as enhancing and accelerating our e-government online services efforts. We've also reaffirmed and more firmly embraced the need for cooperation, understanding and collaboration among not only Village employees, but our partner agencies and fellow governments as well. Today's challenges again reinforce the inter-dependence of our local government partners and partner agencies in maintaining the high quality of life and services Oak Parkers value.

The 2010 budget recommendations also continue our work toward a future where effectiveness and sustainability – both environmental and fiscal – are the order of business at Village Hall. We look forward to working with you, the elected representatives of the good people of Oak Park, and our sister local governments to ensure our Village remains a leader in innovation, imagination and community building.

Sincerely,

A handwritten signature in purple ink that reads "Thomas W. Bailey". The signature is written in a cursive style and is underlined with a single purple stroke.