
Comments for December 10, 2009

Since our last Board meeting, this Board has had Committee and Executive Sessions to discuss the concerns for the Village.

After the past few months of reconstructing and compiling all of our financial records, we now have a good picture of where we stand financially --- and it's not pleasant.

As you already know, many municipalities have been hit with the decline in revenues and we are no exception.

Our Services, Safety and Operations depend mainly on what we collect in Property Taxes combined with other sources of revenue we receive.

As we examined our top 5 major sources of revenue we found that as of November's end: Our state-shared income taxes have declined by 15.5%, our State-shared sales tax declined 9%, home rule sales tax declined 13.5%, transfer taxes (due to the sales of homes down, have declined of 24%) and utility taxes have declined 31.5% compared to the same period last year.

If we look at last year's 2008's report on sales and home rule tax, it was already in a decline from the year before. From 2007 to 2008 we experienced a \$1.3 million decline in sales tax alone. This decline in revenue has been depleting our cash reserves and our prior reports that we were given did not reflect its true numbers. We now have reports that give us a clear picture (which is also shared with the entire Board), provides us with the financial tools to make sound decisions.

Yes, the economy has also taken a toll on our community as well, but we have also weathered a number of other issues that affected our bottom line for just the past 6 months alone! We found alleged misappropriation of funds that required added costs of accounting services, training, auditing, forensic accounting and involvement of the states attorney to investigate. Action is being taken to recoup these expenses. These issues caused delays in obtaining true financial reports and audits. We found police pension money that was never expense previously and had to be expensed this year. We discovered revenue checks that were never deposited since 2005, lawsuits inherited, sanctions of police grants, and possible sanctions for future grants from IDOT (which has been resolved) and of course the continued drop in our economy.

Now that we are obtaining REAL numbers, it is important to be open and truthful and share this information.

I addressed the decline in revenues, but the good news is that our expenses are below budgets across the board in all departments, but still not enough to overcome the deficit in revenues. We are working with new planning consultants and economic developers as a result of a Federal grant we received. Our focus is to bring new retail into our Village that will provide added revenue in the future. But this does not come about overnight. We welcome Burlington Coat Factory, Las Palmas, Baltic Food and soon to open a Bulgarian restaurant into our community! We look forward for more to come. We ask you to support our local establishments.

We also secured almost \$4 million in grants for street & sidewalk projects for 2010 and beyond and continue to pursue grants for water mains and flood control as well as public safety. However, these grants are project-specific and many require matching funds or require us to pay for engineering in advance. These are costly endeavors but necessary to maintain our infrastructure.

While we are doing everything we can to examine all contracts and payables to reduce costs, we need to make some sound decisions if we are to continue to provide Services, Safety and Maintain Infrastructure for our Community. There are municipalities that are millions in debt and cannot pay their bills. We do not want to be faced with those issues. We need to take action that may not be popular for some, but nonetheless necessary. The agenda tonight reflects some of those actions.

We, too live in Harwood Heights and need to work together as a community and as a Board to move in a direction that will lead this Village toward a prosperous future of which we can all be proud. It may be a bumpy road now, but paving the way for a new future is our goal and commitment to you.
