



Village of Willowbrook

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January 10, 2011

Village President

Robert A. Napoli

Village Clerk

Leroy R. Hansen

Village Trustees

Dennis Baker

Terrence Kelly

Michael Mistele

Sandra O'Connor

Paul Schoenbeck

To: Village Residents and the Business Community

I presented the following State of Business Address for the Village of Willowbrook at the January 5, 2011 meeting of the Willowbrook / Burr Ridge Chamber of Commerce and Industry.

The subject matter it contains generally reflects the Village's financial challenges in this struggling economic time. The budget adjustments that were made were necessary to ensure the long-term financial sustainability of your Village.

I have always been willing to confront issues head-on in the attempt to develop solutions that are appropriate for all involved parties. This is also the manner in which I approach the governance of the Village as the President.

Your Village Board will continue to serve the community as it has in considering the needs of all. As always, I look forward to any feedback the community may have.

Truly Yours,

Robert A. Napoli

Willowbrook Village President

**State of Business Address at Chamber Luncheon
Wed., Jan. 5, 2011 at 12:00 Noon – Chicago Marriott, Burr Ridge**

▪ Introduction:

The year 2010 at the Willowbrook Village Hall mirrored what occurred in most of the Village's households: **we simply tried to make do with less.** The deepening of the Great Recession during 2010 resulted in a substantial decline of revenue to the Village. This, in turn, necessitated the Village's implementation of austerity measures to achieve cost savings and the preservation of reserves. I will report to you today how we managed last year to reduce the cost of Village government without a reduction in the delivery of essential services to our citizens and without a reduction of our reserves.

However, before doing that, I want to say that I believe more Village cost cutting will be necessary in the future as I see no immediate end to this recession. In fact, I see a worsening of our economic climate as the Illinois Legislature now considers the reduction or elimination of State revenues currently shared with the Villages. Were the Legislature to actually take such action, the fiscal impact on our Village would be crippling. I can only hope that the Legislature does not so act as the net effect of such action would be to pass a substantial portion of the State's debt onto the backs of local government further adding to both the decline of Village revenues and the cost of Village government.

With this brief introductory summary in mind, let me now share with you the details of my report.

- Willowbrook Relies Heavily on Retail Sales Tax and other State Shared

- Revenue for Operational Income:

- The Village is a non home-rule community, so available revenue sources are limited by State Statute
 - The Village does not levy a conventional property tax
 - During a recessionary economy, Village revenues quickly decline

- 2010 Staff Restructuring to Achieve Cost Savings:

To reduce operational expenses, the Village Board considered outsourcing work, job elimination, and consolidation of positions. The following savings amounts reflect salary, benefits, and pension costs:

- Outsourced Planning (\$34,000/yr. savings)
 - Elimination of one (1) Deputy Police Chief (\$167,000/yr. savings)
 - Reduction of one (1) Patrol Officer (\$98,000/yr. savings)
 - Voluntary Separation Incentive (VSI) Program –
2 full-time secretaries replaced with 4 part-time secretaries
(\$80,000/yr. savings)
 - Hiring of new Park Recreation Specialist (\$7,000/yr. savings)
 - Combined Village Administrator & Director of Municipal Services
positions (\$144,000/yr. savings)
 - Interim Outsourcing of Director of Finance position
(\$80,000/yr. savings)

Total Savings: \$610,000/year

- Grant Funding Obtained for Infrastructure Improvements, etc.:

- 2010 Road Maintenance Program - \$216,000 from ARRA Federal Stimulus Program
 - 2010 Kingery & Plainfield Lighting Project - \$185,000 from ARRA Federal Stimulus Program

- 2010 Kingery & Plainfield Lighting Project Engineering Fees Reimbursement - \$50,000 from Illinois Capital Bill
- Reimbursement of 2010 Early Retiree Insurance Costs - \$11,000 from Federal Affordable Care Act
- 2011-2016 Road Maintenance Program - \$542,000 from Federal STP Program

Total Grant Funding Obtained: \$1,004,000

- Village will continue to aggressively pursue other available grant opportunities
- 2010 New Local Retail Development (i.e., additional revenue):
 - Buffalo Wild Wings Restaurant (6,300 S.F.) – opened 1/12/10
 - Lassak Deli (10,000 S.F.) – opened 6/22/10
 - Goodwill Store (22,500 S.F.) – opened 10/8/10
 - Meatheads Restaurant (2,400 S.F.) – opened 10/18/10
 - Sprint Store (2,600 S.F.) – opened 11/13/10
 - Pei Wei Asian Diner (3,200 S.F.) – will open 1/10/11
- 2010 Business Closures:
 - Amcore Bank (3,900 S.F.) – closed 4/17/10
 - Blockbuster Video (5,400 S.F.) – closed 12/19/10
 - Quizno's (1,000 S.F.) – closed 11/2/10
 - Balducci's Restaurant – closed approximately 12/23/10
- Local Retail Occupancy Rate Remains High:
 - The average retail vacancy rate among all ten (10) retail properties within town is 9% (or 71,800 S.F.)
 - The Chicagoland Average Vacancy Rate is 11.6%

- Both the Willowbrook Square (29,100 S.F.) and the Woodland Plaza (31,700 S.F.) shopping centers are 100% leased
- The Willowbrook Town Center added six (6) new tenants in 2010 having a total lease area of 27,900 S.F.
- The Willowbrook Town Center development contains a total of 189,000 S.F. of leasable retail area. Of this area, only 16,000 S.F. is currently vacant (173,000 S.F. occupied) making the occupancy rate within the center 91.5% (8.5% vacancy rate)
- Red Light Camera Program (from October 2009 thru October 2010)
 - Approximately 45,000 vehicles per day travel on Illinois Route 83 thru Willowbrook. This calculates to roughly 1.3 million vehicles per month.
 - 18,965 violations were sent to the P.D. by Red Light Company. (This number represents less than .12 of 1% of all vehicles that travel Route 83 throughout the year)
 - Of the 18,965 violations received, a total of 7,947 violations were approved by Willowbrook Police Officers, which accounts for 39% of violations being approved. (This number represents less than .05 of 1% of all vehicles that travel Route 83 throughout the year)
 - Approximately \$372,000 in revenue has been collected by the village in fines, which calculates to a 79% collection rate on fines
 - Less than 30% of all violations are for Right on Red Violations
 - From Jan 2010 thru Dec 2010 overall accidents in the Village are down 7%
- Future Financial Concerns – Potential Loss of State Shared Revenues:
 - Retail Sales Tax makes up 42% of our General Fund Revenues
 - Income Tax makes up 9% of our General Fund Revenues

- Motor Fuel Tax (MFT) revenues fund our Annual Roadway Maintenance Program
 - Any reduction or elimination of any current State Shared Revenues would have an immediate and devastating effect on Village finances
 - The Long-Term Financial Projection for the Village indicates a deficit in future years
 - This may force the Village to cut services and/or consider other new revenue sources through a referendum process
- Conclusion:

In sum, the Village will continue to take all such steps in the future as are necessary to balance the cost of its government with the revenues as are presently available to it. However, unless the present economic climate greatly improves, additional cost saving measures may be needed this year. The test for such additional cost saving measures is this: all cost saving measures will be considered if they do not result in the reduction of essential services to our citizens. Lastly, and only as a last resort, will the Village Board consider a new revenue source through a referendum process. As I have said, this Village will first try to make do with less. We owe the taxpayers no less.

I wish to thank my fellow Trustees for their input, direction and support. Trustee Baker and Davi, who are here with us today, and also Trustees

Kelly, Mistele, O'Connor, and Schoenbeck, who could not be here today. In addition, Village Clerk Leroy Hansen, who is also here today, has been my confidant in many matters. The Village is fortunate in having them serve their community.

The Village Board previously hired a management consultant to evaluate the Village's organization structure and make recommendations. The Board ultimately implemented some of the recommendations they made. The staff reductions that were made would not have been possible without the extraordinary staff we have to make it work. The secretaries and clerks in both the administration and public safety departments do a great job. The public works crew also does an outstanding job. The leadership in the police department, Police Chief Mark Shelton and Deputy Chief Paul Oggerino, is very strong. And lastly, our Municipal Services Director, Tim Halik, has also taken on the duties of the Village Administrator and has done a yeoman's job.

My best for a healthy and prosperous New Year.

Thank you.