

VILLAGE OF
MOUNT PROSPECT, ILLINOIS

PROPOSED
ANNUAL BUDGET

FISCAL YEAR ENDING DECEMBER 31, 2007

SUBMITTED BY

MICHAEL E. JANONIS

VILLAGE MANAGER

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VILLAGE OF MOUNT PROSPECT, ILLINOIS

2007 BUDGET

VILLAGE OFFICIALS

MAYOR

Irvana K. Wilks

TRUSTEES

Timothy J. Corcoran

Richard M. Lohrstorfer

Paul Wm. Hoefert

Michaele W. Skowron

A. John Korn

Michael A. Zadel

ADMINISTRATION

Michael E. Janonis

Village Manager

David Strahl

Assistant Village Manager

M. Lisa Angell

Village Clerk

David O. Erb

Finance Director/Treasurer

William J. Cooney, Jr.

Community Development Director

Nancy M. Morgan

Human Services Director

Richard T. Eddington

Police Chief

Michael J. Figolah

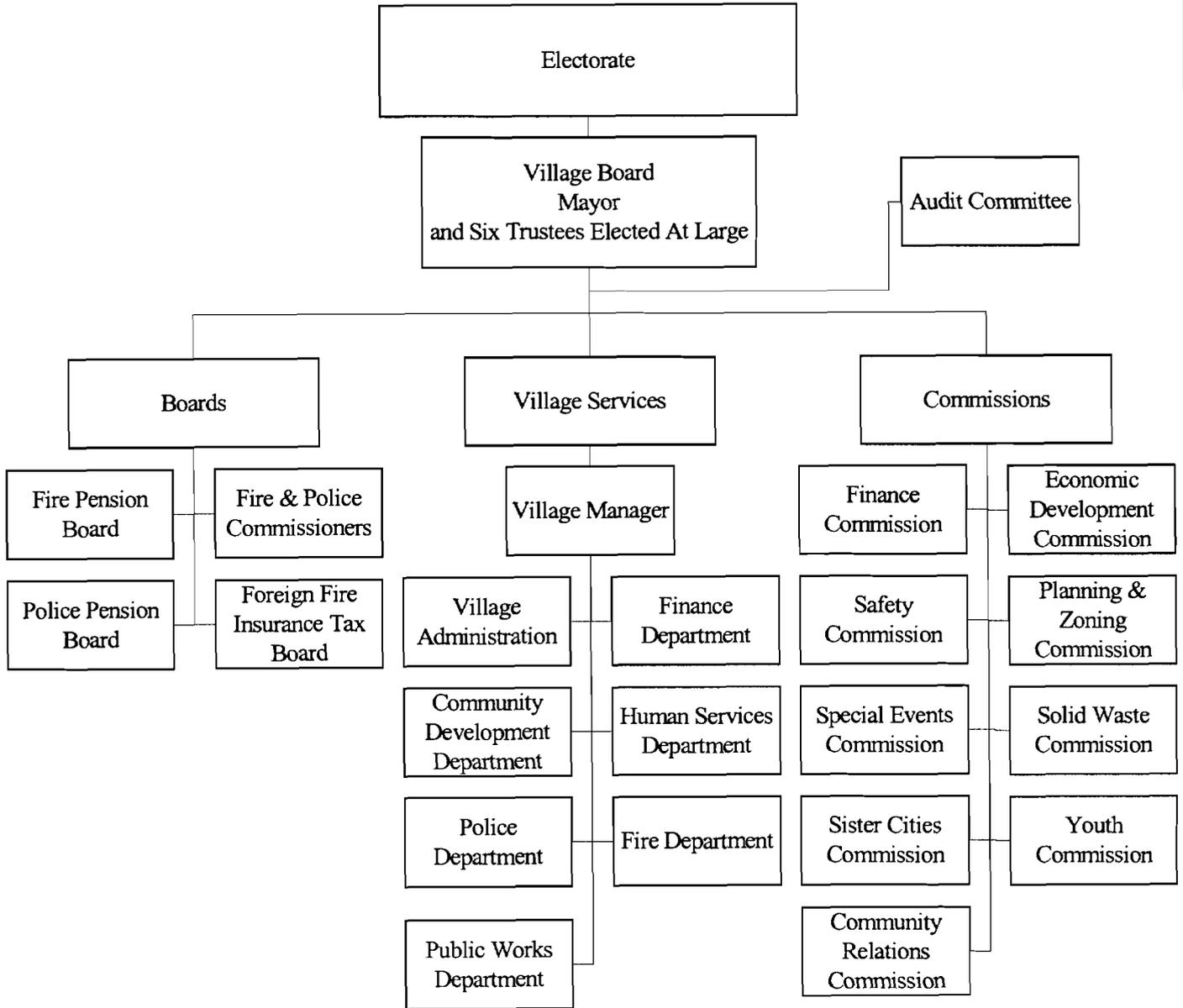
Fire Chief

Glen R. Andler

Public Works Director

VILLAGE OF MOUNT PROSPECT

Organizational Structure



ORDINANCE NO.

**AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE
VILLAGE OF MOUNT PROSPECT FOR THE FISCAL YEAR
COMMENCING JANUARY 1, 2007 AND ENDING DECEMBER 31, 2007
IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE**

WHEREAS, the President and Board of Trustees of the Village of Mount Prospect in accordance with State Statutes, have provided for the preparation and adoption of an Annual Budget in lieu of passage of an Appropriation Ordinance; and

WHEREAS, the tentative Annual Budget for the Village of Mount Prospect for the fiscal year beginning January 1, 2007 and ending December 31, 2007, as prepared by the Budget Officer for the Village and submitted to the President and Board of Trustees, was placed on file in the Office of the Village Clerk on October 13, 2006 for public inspection, as provided by Statute; and

WHEREAS, pursuant to notice duly published on December 7, 2006, a public hearing was held by the President and Board of Trustees on said tentative annual budget on December 19, 2006, as provided by Statute; and

WHEREAS, following said public hearing, said tentative Annual Budget was reviewed by the President and Board of Trustees and a copy of said tentative Annual Budget is attached hereto and hereby made a part hereof.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MOUNT PROSPECT, COOK COUNTY, ILLINOIS:

SECTION ONE: The Annual Budget for the Village of Mount Prospect for the fiscal year beginning January 1, 2007 and ending December 31, 2007, a copy of which is attached hereto and made a part hereof, is hereby approved and adopted as the Annual Budget for the Village of Mount Prospect for said fiscal year.

SECTION TWO: Within thirty (30) days following the adoption of this Ordinance there shall be filed with the County Clerk of Cook County a copy thereof duly certified by the Village Clerk and Estimate of Revenues by source anticipated to be received by the Village in the fiscal year beginning January 1, 2007 and ending December 31, 2007, duly certified by the Chief Fiscal Officer.

SECTION THREE: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form in the manner provided by law.

AYES:

NAYS:

ABSENT:

PASSED AND APPROVED this _____ day of _____, 2006.

ATTEST:

Irvana K. Wilks, Village President

M. Lisa Angell, Village Clerk



MAYOR
Irvana K. Wilks

VILLAGE MANAGER
Michael E. Janonis

TRUSTEES
Timothy J. Corcoran
Paul Wm. Hoefert
A. John Korn
Richard M. Lohrstorfer
Micheale W. Skowron
Michael A. Zadel

VILLAGE CLERK
M. Lisa Angell

Phone: 847/392-6000
Fax: 847/392-6022
www.mountprospect.org

Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

October 7, 2006

The Honorable Irvana K. Wilks, Board of Trustees, Finance Commissioners and Residents of the Village of Mount Prospect

On behalf of the entire staff, I am pleased to present to you the proposed 2007 Municipal Budget for the Village of Mount Prospect. The proposed Budget incorporates all of the policies and directives established by the Mayor and Board of Trustees during the August 2006 Pre-Budget Workshop. The Village's financial health continues to show signs of recovery, with the **General Fund budget, as presented, currently showing a surplus of \$468,618.** During this year's Workshop, the Village Board indicated a willingness to consider staffing increases previously identified as critical to accomplishing key operational objectives. The proposed Budget provides for two (2) Nuisance Abatement Inspectors, one (1) Crime-Free Housing Program Coordinator and an Information System Analyst. The proposed Budget also maintains our full complement of core services. Critical infrastructure needs, such as the Road Improvement Program and Downtown Streetscape continue unaffected. Water rates were increased in October 2005 to fund a Combined Sewer Rehabilitation Plan and other long-term water and sewer capital maintenance needs. Once again, no permanent funding is included for mid-range Capital Improvement Projects.

Total proposed expenditures for 2007 are \$76,540,912. Total revenues are \$78,329,695. In summary, the total Budget, as presented, calls for a 2.9% decrease in expenditures from the amended 2006 Budget. The Village's Capital Budget will see a 43.5% decrease, (a decrease of \$5,677,309) from the preceding year while the Operating, Debt Service, Pension and Internal Services budgets collectively are expected to grow by 5.1%.

INTRODUCTION

The local economy continues to experience a modest rebound after several years of decline. While the State continues to struggle with its own Budget problems, Mount Prospect's share of State generated revenues has grown substantially. Businesses continue to invest in productivity enhancing machinery and software solutions. Consumer spending remains strong as evidenced by good growth in Sales Tax revenues. On the downside, the previously robust real estate market has weakened substantially, the war in Iraq continues without a near term end in sight, petroleum and natural gas prices remain highly volatile and the drain on National resources due to the ongoing recovery efforts from last year's Hurricanes stand as potential barriers to continued economic growth.

Village revenue streams continue to rebound from their most recent "bottoms." While the Home Rule Sales Tax continues to rebound, there is still a significant amount of growth that needs to occur to get back to calendar year 2000 levels. Of the .75% the Village currently levies, .25% of the revenue is allocated to cover Debt Service requirements in the Flood Control Fund, .25% covers current expenditures in the Street Improvement Construction Fund and the final .25% is allocated to the General Fund. Receipts through June 2006 show an increase over the prior year of 5.4% (\$96,576). Based on 2006 year-end projections, Home Rule Sales Tax receipts remain some 16% below 2000 levels.

When compared to 2005 actuals, the State Income Tax receipts are up 9.3%, regular Sales Tax receipts are up 8.0%, while Local Use and Personal Property Replacement Tax revenues are up 5.4% and 13.2% respectively.

A FEW WORDS ABOUT THE BUDGET

The following points are offered to provide background and insight into the Budget preparation process and the philosophy employed therein:

The proposed 2007 Budget coincides with the **calendar year**. It also includes a **Forecast Expenditure Plan** for the following year - 2008. Both of these features continue to prove helpful in planning for and bidding out capital projects, determining with greater accuracy property tax levy requirements and, in general, making the Budget document a more useful planning tool.

We continue to approach the Budget with the philosophy of creating "**cost centers**" as a way of accurately reflecting the cost of doing business. For the most part, these cost centers are department-based so that when looking at a particular department's budget; i.e., Police, one gets a true picture of the cost of providing Police services to the residents and businesses of Mount Prospect.

A critical element of this budgeting philosophy is the use of "**lease payments**" (transfers between funds treated as "quasi-external transactions" for budgeting and accounting purposes). Lease payments recognize that departments have need, on a continuing basis, for certain essential capital equipment such as vehicles and vehicle maintenance. These lease payments (which are recorded as expenses to each department) over time will provide the cash necessary to fund the expense of such items. The Budget currently contains lease payments for vehicle replacements as well as annual vehicle maintenance charges. The **Vehicle Replacement Fund** remains fully funded. During 2006, the Finance Department reviewed the methodology employed in determining appropriate lease payments and made refinements in the formula that resulted in a decrease in overall payments while maintaining fund health. This effort resulted in additional moneys to fund General Fund operations.

A repeat casualty of the proposed 2007 budget balancing effort is the suspension (for the sixth year in a row) of the annual transfer of a set amount of General Fund revenues to the **Capital Improvement Fund**.

This annual transfer was conceived as a way of funding numerous mid-level capital improvement projects identified in the five-year Capital Improvement Plan. \$750,000 to \$1 million per year is required to support Capital Improvement Fund expenditures.

A critical objective of our **Long-Range Financial Plan** is the restoration of this annual transfer, but with revenues remaining tight, it is recommended that the transfer again be postponed. Approximately \$3.7 million in cumulative capital improvement projects have been cut or deferred over the last six years. By the end of 2007, the Capital Improvement Fund will be fully depleted.

Concern regarding the level of **General Fund Reserves** has eased considerably over the last year. The end, this year, of General Fund transfers in support of the Village Hall financing plan, strong revenue growth and controlled spending will result in an estimated 30.2% reserve by the end of 2007. Maintaining a 25% General Fund reserve (of current year General Fund expenditures) is the standing policy of the Village Board. Amounts above the 25% target are available to fund various capital projects such as replacement of the Village's phone system (a critical need) or to write down the cost of the anticipated Fire Station 14 reconstruction project.

As has been noted in previous years, a number of programs within departments are actually self-supporting in that the specific program generates revenues that either partially or fully subsidize the cost of providing the service. In some cases, revenues actually exceed expenditures. While the revenues are recorded in the General Fund, the program costs are recorded in the particular department's operating budget as an expenditure-sometimes falsely contributing to the appearance of extraordinary budget increases. Several examples of this phenomenon can be found in the Human Services budget.

2006 YEAR-END REVIEW

As 2006 draws to a close, it is important to pause and take into account what has transpired over the past year. Citizens, elected officials and staff need to have an understanding of our current financial condition, recent accomplishments and unfinished business so as to have a common ground from which to consider our financial plan for 2007.

2006 continues a positive revenue trend that has brought some relief from the seemingly unrelenting string of difficult financial hurdles we have had to negotiate the past several years. Staffing needs for both the Police and Fire Departments were finally addressed. Progress continues on Downtown redevelopment. Randhurst Shopping Center continues to remake itself in the face of an ever-changing retail environment. The Village Board identified residential property maintenance as a high priority and took steps to provide staff with the necessary tools to achieve that goal.

The Village was fortunate that no disasters or unforeseen expenditures occurred during the year. Finally, current revenue/expenditure trends indicate we will close out 2006 within budgeted parameters.

Other items of note in 2006:

- The Village's **Street Improvement Program** was approved in 1996 as a 10-year accelerated paving plan to eliminate the large backlog of streets in need of reconstruction or resurfacing. During the first five years, the reconstruction backlog was targeted. The last five years were to place an emphasis on eliminating the resurfacing backlog. After reevaluating the condition of the street system in 2004, the accelerated program was reduced over the past two years and was extended an additional three years to 2009. 2006 was the tenth year of the program. During the first five years, all streets in the reconstruction category were completed. A total of 16.6 miles of streets were reconstructed; an average of 3.3 miles per year at an average cost of \$689,000 per mile. In addition, during the ten years of the program, 61.5 miles of streets have been resurfaced; an average of 6 miles per year at a cost of \$286,000 per mile. Total funds expended in 2006 were \$2,244,000 (\$1,250,000 from MFT and \$994,000 from the Street Improvement Construction Fund).
- 2006 saw the completion of the second year of a multi-year commitment to rehabilitate approximately 260,000 LF of **combined sewer mains** ranging in size from 8" to 72" diameter. As part of this year's effort, over 24,000 linear feet of combination sewer were repaired using the cured-in-place (CIPP) lining process. In addition, approximately 100 linear feet of severely failed (Category 5) sewer pipe was excavated and replaced. In total, during the first two years of this program, 32,400 linear feet of pipe have lined and 210 linear feet of pipe have been replaced. Over 98% of all Category 5 defects have been repaired to date. Total funds expended during 2006 were \$1 million.
- The Village is always pleased when property owners choose to invest in their properties either through renovation or new construction. These projects, however, can be a nuisance if the site is not kept clean and free of debris. Construction site maintenance is now being regulated so that properties under construction remain "a very good neighbor." Environmental Health and the Community Development Department introduced a **Vacant Structure Property Registration** program to achieve property maintenance compliance from chronic problem properties. The Environmental Health Division also coordinated an inter-departmental launch of a Village **Administrative Adjudication Hearing Program** to facilitate property maintenance throughout the Village. The program has begun with good success and the Village goal of code compliance is being met.
- Redevelopment of our emerging downtown remains a high priority. After a series of meetings with other local taxing bodies in 2006, the Village expanded the boundaries of the downtown tax increment finance district and extended the TIF for an additional 13 years. The properties commonly known as Chase Bank (southwest corner of Emerson and Busse) and Central Plaza (northwest corner of Central and Route 83) were^{xiii} added. The Community Development

Department assisted in the coordination and implementation of additional redevelopment efforts within the Village's downtown, including the construction of "The Emerson" condominium/retail development and the "Founders Row" town homes.

- The Community Development Department continues its support and work with the Mount Prospect Downtown Merchants Association. This fledgling organization has completed their second year. Beyond their initial goal of staging three family-friendly events (the Downtown Fun and Fitness Walk, Summer BluesMobile Saturday Cruise Nites, and the Fall Festival), this group has infused new enthusiasm and activism into the merchants of downtown as they work together for the betterment of each other and the community. The MPDMA doubled their membership this year and produced their first Downtown Guide to Shopping, Dining and Services.
- A new **Residential Solid Waste Program** was introduced to the community. The new program included distribution of over 27,000 wheeled refuse and recycling carts to the single and multi-family homes with curbside collection service. The carts facilitate a fully automated collection process which should help limit worker injuries, speed collections and hold down costs. Refuse collection services are provided through contract with a private hauler.
- While the Village avoided any significant "unexpected" events in 2006, the discovery of the Emerald Ash Borer (EAB) in several Chicagoland communities marks the start of what could be a long and expensive effort to protect and/or remove some 4400 Ash trees in Mount Prospect parkways. If no assistance is forthcoming at the State and Federal levels of government, the Village could be faced with a multi-million dollar undertaking.

Finally, each of the Village's operating Departments continued to distinguish themselves for innovative practices and delivering critical services. The Police Department was honored by the "Alliance Against Intoxicated Motorists" as one of the top 20 Illinois Law Enforcement Agencies for D.U.I. enforcement. The Fire Department produced an emergency preparedness DVD that will be distributed to Mount Prospect residents and businesses as part of its ongoing emergency preparedness effort. Planning is also underway for a mass "Pharmaceutical Distribution" plan in anticipation of an Avian Flu Pandemic. The Human Services Department counseled hundreds of senior residents on the Medicare Part D Prescription Drug Program. MPTV, the Village's local cable access channel, won a "Telly" award and a NATOA Government Programming award for its "Library Life" production.

The Village's annual Budget and Audit documents were again recognized by GFOA and Mount Prospect was recognized as Tree City U.S.A. for the 21st consecutive year.

While 2006 continued to present challenges, the community saw continued progress in the areas of infrastructure maintenance and economic redevelopment. We continue to enjoy sound fundamentals in our fiscal underpinnings, property values remain strong, and the community continues to attract new families and businesses. In 2007, we will need to continue crafting a strategy for the future that builds on these strengths.

PROPOSED 2007 BUDGET

The proposed 2007 Budget represents the Village's plan for expected expenditures over the coming year and identifies the means by which those expenditures will be funded. **The Budget, as presented, shows a \$468,618 General Fund surplus.** This is in line with last year's projections during the 2006 Budget cycle.

Items of note regarding the proposed 2007 Budget include:

- The **total Budget** represents a 2.9% decrease from the amended 2006 Budget and totals \$76,540,912. Much of the decrease is due to redevelopment expenses related to Sub-Area #1 improvements in the Downtown TIF District (\$4,165,526). The General Fund increased 5.6% from the prior year primarily due to the addition of new staff for the crime free housing program and to meet pent-up demand in certain areas of the Village.
- The Village's **Operating Budget** (that part which funds the Village's day-to-day operations) is up 5.2% from 2006. The Operating Budget includes all General Fund expenditures as well as refuse disposal, water and sewer service, and various special revenue activities.
- Total revenues and other financing sources, excluding the Library, are estimated at \$78,329,695. This represents a decrease of .01%. The decrease is due primarily to a \$3.8 million bond issue anticipated in 2006 where none is anticipated for 2007.
- Recurring revenues are estimated at \$78,269,695, an increase of \$4,037,251 (5.4%) from the 2006 Budget. A detailed analysis of revenues and other financing sources can be found beginning on page 35.
- The increase in the proposed 2006 **Property Tax Levy** (payable in 2007) is 4.1% for a total levy of \$13,716,933. That portion of the tax levy allocated for operations and pensions is up 4.0%. The portion allocated for debt service on municipal debt is up 5.0%. It is important to note that the portion of the levy attributable to the payment of debt service is just over 11% of the total levy. Much of the levy requirements for debt service are abated utilizing other sources of revenue.
- Four (4) new positions are included in the proposed Budget. Two (2) Nuisance Abatement Inspectors (Community Development) and a Crime Free Housing Program Coordinator (Police) will form the backbone for an aggressive rental inspection and education initiative designed to preserve both the condition of our rental housing stock and create a safer, crime-free environment. The Program will cover all rental dwellings in the Village.

The Network Administrator will provide additional support for the IT Division. First year costs for these positions are estimated at \$280,000. Not currently included in the proposed Budget is a request by the Fire Department to hire a part-time **Disaster Management Coordinator**. The Coordinator would work 20 hours per week on a variety of assignments related to disaster management. A presentation justifying the position will be made during Budget Hearings.

- The **Capital Improvement Fund** will be completely depleted at the end of 2007. As stated previously, the Fund is designed to cover the cost of mid-range Capital Improvement Plan. Over the last six years, some \$3.7 million in projects have been deferred. Between \$750,000 and \$1 million in annual funding is necessary to sustain the Fund. Earnest discussions need to begin now regarding identifying a permanent funding source.
- Total personal service costs in 2007 are estimated to be \$24,578,755. This is an increase of \$1,043,481 or 4.4% from 2006. A 3.75% general wage increase for non-union employees is included in the proposed Budget.
- Expenditures on capital projects in 2007 are budgeted to decrease \$5,677,309 or 43.5% from the prior year. A majority of the decrease is related to capital improvements in the downtown redevelopment TIF District.
- The Water and Sewer Fund budget for 2007 has increased \$902,024 or 8.8% from the prior year. The increase is due to a rise in the cost for utilities (water, electricity and natural gas) and capital projects in the water distribution division. A 5.0% rate increase (per plan) is included in this Budget.
- The Refuse Fund accounts for expenditures related to the solid waste/recycling and leaf collection programs for the Village. The total budget for refuse and leaf collection is \$4,029,607. Refuse collection expenditures total \$3,825,838 while leaf program expenditures total \$203,769. Funding sources for refuse collection are Property Taxes and a \$75 per household direct charge.

2008 FORECAST

The 2008 Forecast Budget is currently showing total projected expenditures of \$81,963,717, excluding the Library. This represents a 7.0% increase from 2007. 2008 General Fund expenditures are forecast to increase \$1.6 million or 4.4%.

The proposed Property Tax increase for the 2007 Levy year (2008 Budget) is 4.45% with the portion allocated for operations increasing 5.0% and the debt service portion remaining flat. **The General Fund Budget, as presented, is currently showing a deficit of \$322,483.** The 2008 Forecast Budget again does not include the annual General Fund transfer of \$750,000 (current funding estimate to the Capital Improvement Fund (CIF)).

ACKNOWLEDGMENTS

Preparation of the Budget is always a long and arduous task. Substantial deliberation and difficult decisions are made throughout the preparation phase of the process. The Finance Commission and Village Board's review and amendment of the proposed Budget over the next two months will strengthen it and set the course for addressing future revenue and expenditure discussions. I wish to thank all management team members for their cooperation and support in preparing this Budget. Their commitment and that of their staffs to provide Mount Prospect residents and businesses with low-cost, yet high-quality services is evidenced throughout this document.

Special thanks are in order for Finance Director David Erb. Without his considerable talents, this Budget would not have been possible. Special recognition is also in order for the Deputy Finance Director Carol Widmer, Accounting Supervisor Lynn Jarog and Administrative Assistant Lisa Burkemper as well as the entire Finance Department staff who labor under very trying conditions during the Budget preparation process. I also wish to thank Roberta Clinger, my Administrative Assistant for the last fourteen years. This is the last Budget message she will help me compose as she retires after 27 years of loyal service to the Village.

CONCLUSION

Municipal government is constantly implored to act like a private business. I believe, in Mount Prospect, we do practice many of the attributes of a well-run business. We do so even though we do not benefit from the same flexibility and freedom that the private sector enjoys. We cannot, to a great extent, pick and choose the products and services we provide. We cannot pick and choose our customers. We cannot just close our doors when market conditions become unfavorable nor can we move to a new location where the economy is better and the problems less intractable. Our decisions are made in public rather than in the safety and security of a closed boardroom. I am skeptical that many businesses could thrive and prosper given these constraints.

Yet, as was highlighted previously, Mount Prospect municipal government has long been recognized for providing its residents with cost-effective, quality services. The result is that the community has historically been viewed as an outstanding place to live, work and raise a family. Looking back over the years, most would agree that our community has matured gracefully and with dignity. Looking forward, we will continually be tested.

As we move into 2007, we will need to immediately begin monitoring our revenue estimates and be prepared to make expenditure adjustments as necessary. Likewise, we will need to start planning in earnest for 2008. The financial health of the Village must remain the #1 priority of the Village Board and Administration in 2007 and beyond.

Along the way, we can be certain that our community will be required to address a plethora of modern day dilemmas. Issues such as crime, gangs, societal problems, property maintenance, infrastructure needs and the provision of basic municipal services all compete for limited resources, yet each requires our full, unfailing attention. Difficult decisions regarding the allocation of limited resources will be a constant dilemma in years to come. Urban and societal issues will increasingly place more demands on our basic service delivery system, especially as the Federal and State levels of government continue to shift responsibility for the provision of basic social and welfare services to the local level.

While these challenges will require our undivided and constant attention, we face the tasks at hand confident in the knowledge that Mount Prospect's underlying financial condition remains solid and the community's collective will to prosper is unflinching. Each year, our stewardship of the community begins with the preparation of the annual Budget. The proposed 2007 Budget represents well-conceived revenue/spending plan that balances current economic realities with our need to continue to provide high quality core services to the residents and businesses in our community. Looking out toward the 2008 fiscal year, we can expect difficult deliberations and decisions over the coming months as we pursue our quest to keep Mount Prospect a strong, vital community. Regardless of these looming difficulties, I remain optimistic that in the final analysis, the community will be well served by the deliberation we will engage in, and the resulting decisions made over the coming months.

Finally, on behalf of the entire staff, I would like to acknowledge and thank the Village Board and Finance Commission for their individual and collective support in providing the necessary leadership to carry out our daily mission of providing Mount Prospect residents and businesses with a full range of high-quality municipal services.



MICHAEL E. JANONIS
Village Manager

MEJ/rcc

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

LONG-TERM FINANCIAL POLICIES

In its budgeting activities, the Village seeks to adhere to the following long-term financial policies:

- Maintain a diversified revenue structure.
- Maintain the General Fund fund balance at 25% of current year budgeted expenditures.
- Maintain a balanced General Fund budget (expenditures less than or equal to revenues) except for planned draw-downs of the fund balance when the fund balance exceeds the 25% target.
- Maintain the fund balance of each debt service fund supported by property taxes at an amount equal to the next interest payment.
- Maintain the fund balance of each debt service fund supported by alternative revenues (property tax increment and home-rule sales tax) at 50% of the next year's principal and interest requirements.
- Limit total property tax levy increases to 5% annually (exclusive of the Library).
- Maintain the Police Pension Fund and Fire Pension Fund at 100% of actuarially recommended funding.
- Continue to include a forecast budget in the annual operating budget. (The forecast budget is a projection of the operating budget for the year after the budget year.)
- Update the five-year Capital Improvements Plan on an annual basis.
- Update the five-year operating financial forecast on an annual basis.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

THE BUDGET PROCESS

Public officials generally recognize that the preparation and adoption of the annual budget is one of the most important duties with which they are charged. However, the adoption of the budget is not an end in itself, but it is just one step in an ongoing process. The process encompasses an extended period of planning, review, and priority setting. When the budget is adopted, it then becomes the fiscal plan which spells out how services will be provided and community improvements will be achieved. After the budget is adopted, it also becomes a control mechanism by which to measure the resources expended to meet the approved objectives and to measure the adequacy of the fiscal plan.

A calendar identifying the specific dates for the 2007 calendar year budget and the tentative dates for the 2008 budget is included at the end of this section. Following is a description of the various phases of this budget process.

The Capital Improvements Plan

The development of the Capital Improvements Plan (CIP) is the prelude to work on the annual budget. The CIP is the Village's five-year plan for capital expenditures. It addresses the Village's needs for replacement, upgrade, and expansion of infrastructure and other long-lived, high-cost assets. Generally included in the CIP are planned capital expenditures of \$25,000 or more, proposed additions to the Village motor vehicle fleet, and all IT purchases for the coordination of the computer program. The replacement of vehicles existing in the fleet are not included in the CIP but are programmed for replacement through the Vehicle Replacement Fund. Prior to the commencement of work on the 2007 Budget, the 2007-2011 CIP was prepared.

The CIP development process begins in March with the Finance Department distributing CIP project request forms to the operating departments. The operating departments complete a request form for each proposed project and return the completed forms to the Finance Department in April for compilation. In formulating their requests, the operating departments review the current condition of the Village's infrastructure and other capital assets. They also consider whether additions to the capital asset inventory are warranted. Input received from residents, community groups, and elected officials throughout the preceding year is carefully reviewed to help gauge the needs of the community. A CIP project request must include the following:

- Description of the Project
- Justification for the Project
- Estimation of Project Costs
- Identification of Potential Revenue Sources to Support the Project
- Annual Dollar Impact Upon the Operating Budget if the Project is Undertaken

After the Finance Department compiles the draft CIP, the Village Manager and Finance Director meet with the director of each department individually for the purpose of conducting an administrative review and setting Village-wide priorities. During these meetings, project needs are clarified.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Upon conclusion of the meetings with the department directors, the Finance Director revises the CIP project requests as directed by the Village Manager and assembles the proposed CIP. The proposed CIP is submitted to both the Village Board and the Finance Commission in early June. Meetings of the Village Board, convening as a Committee of the Whole (COW), and the Finance Commission concerning the CIP take place in June and July.

The Finance Commission is a citizen's commission. Its stated purpose is to assist the Village Board in maintaining a sound tax structure and overall fiscal policy for the Village. Each operating department discusses its CIP project requests with the Finance Commission in meetings held in June. Upon consideration of the project requests, the Finance Commission makes recommendations to the Village Board as to which should be included in the final CIP. The Finance Commission also may comment upon the feasibility and acceptability of potential revenue sources contemplated to support the various project requests.

After having received the recommendations of the Finance Commission, the COW meets to consider the proposed CIP. The operating departments present their requests to the COW. The COW considers each project in terms of its costs and benefits to the community. Based upon Finance Commission and staff recommendations and its own findings, the COW may direct additions, deletions, or revisions to the proposed CIP.

As stated above, the CIP covers the next five fiscal years. This long-term perspective helps the Village foresee both future capital expenditure needs and the demand for funds which they create. Revenue shortfalls are identified and spawn the development of separate long-term funding plans. However, CIP requests for the immediately upcoming fiscal year are subject to the closest scrutiny. This is because the Village must attempt to fund these requests through the next fiscal year's operating budget.

Based upon the direction of the COW, the Finance Director revises the proposed CIP. The Village Manager submits the revised document to the Village Board for acceptance in July. The final CIP is published as a stand-alone document. In the 2007 budget, line-items which are included in the 2007-2011 CIP carry the designation "(CIP)" within the account description.

The Annual Budget

The Village has adopted sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes providing for a municipality's financial operation under an annual budget in lieu of an appropriation ordinance. The approved budget provides the authority to expend funds in the new fiscal year.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Prior to staff work on the annual budget, the Village Manager and the Finance Director meet with the Village Board to discuss long-term strategies at a long-range financial planning workshop typically held in May. Staff then present a mid-year financial review of the execution of the current fiscal year's budget and an update of the upcoming year's "forecast" to the Village Board. This typically takes place in August. While state law only requires that local governments adopt an appropriation ordinance or budget for one fiscal year, the Village includes in its annual budget the projected financial operating plan for the subsequent fiscal year. This projected plan is termed the "forecast". For example, this 2007 annual budget includes a 2008 forecast. The forecast is not legally binding but it enables the Village to look into its financial operating future.

During the mid-year financial review, the Finance Director advises the Village Board of the Village's current financial condition. During the update of the forecast, the Village Board sets programmatic priorities and offers guidance for the staff's work on the next fiscal year's budget. To illustrate, the Village Board will establish policies regarding revenue sources, tax levies, and the level of services to be provided. This is the policy-setting stage. Given the Village Board's priorities and guidance, the staff begins work on the budget.

The formulation of the Village's annual budget parallels the development of the CIP in many respects. In July, the Finance Department distributes budget worksheets to the operating departments. The operating departments prepare their budget requests and submit them to the Finance Department in August. Departmental budget requests must be consistent with Village Board's stated priorities and guidance. As with the CIP, requests for service made by residents and community groups are also carefully considered.

Upon receipt of the departmental budget requests, the Finance Department compiles the draft budget. Revenue estimates are prepared by the Finance Department based upon historical trends, economic forecasts of authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact.

The Village Manager and Finance Director meet with the director of each department individually in September to discuss his budget request. The Village Manager reviews all departmental budget requests, ensures that they are consistent with the priorities and guidance of the Village Board, and fashions a feasible fiscal plan. The product is the proposed budget which the Village Manager submits to the Village Board and the Finance Commission.

As with the CIP, departments present their budget requests to the Finance Commission and the COW. These hearings take place in October and November. Based upon Finance Commission and staff recommendations and its own findings, the COW may direct additions, deletions, or revisions to the proposed budget.

The Finance Director revises the proposed budget as directed by the COW and the Village Manager submits it to the Village Board for formal approval in December. The final budget is adopted by ordinance. According to state law, the budget ordinance must be adopted prior to the start of the fiscal year and filed with the county clerk within 30 days of adoption.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

The budget process does not end with the adoption of the budget ordinance; it actually marks the beginning of a new cycle. Services and programs will be evaluated, needs will be identified and then the formal process will begin again for the next year.

During the budget year, the fiscal plan will be monitored and changes made as appropriate. When priorities change or unanticipated expenditures are required, the Finance Director is authorized to transfer budgeted amounts within a department or between departments within a fund. The Finance Director must notify the Village Manager in writing of interdepartmental transfers. Any revisions that increase the total expenditures of any fund must be approved by the Village Board as budget amendments. Expenditures may not legally exceed budgeted appropriations at the fund level.

THE BUDGET MODEL

Generally Accepted Accounting Principles (GAAP) and state statutes require an Illinois municipality to account for revenues and expenditures on a “fund” basis. A fund is a separate accounting entity which is organized with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses or expenditures. The General Fund, Motor Fuel Tax Fund and the Water and Sewer Fund are examples of Village funds. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The Village uses the three following fund types:

Governmental Funds are used to account for the Village's general governmental activities and include the General Fund, special revenue funds, debt service funds, and capital project funds. Governmental funds use the modified accrual basis of accounting whereby revenues are recognized when they are “measurable and available” and expenditures are recorded when the related fund liability is incurred.

Proprietary Funds use the full accrual basis of accounting and include the enterprise funds (Water and Sewer Fund and Parking Fund) and internal service funds. Under the full accrual basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Fiduciary Funds account for assets held by the Village in a trustee capacity or as an agent on behalf of others. Fiduciary funds include Village pension funds and are accounted on a full accrual basis.

The budgets of the governmental funds are prepared on a modified accrual basis and the budgets of the proprietary funds and the fiduciary funds are prepared on a full accrual basis. With the exception of the treatment of depreciation, the budget basis is consistent with GAAP. Depreciation is not shown in the budget, although the full purchase price of capital expenditures is included. A reconciliation of this difference is provided in the Village's Comprehensive Annual Financial Report.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Although the Village is required to account for revenues and expenditures on a fund basis, the fund structure is not necessarily the most appropriate model for reporting the delivery of services. Many authorities believe that a budget organized on the basis of “programs” is more meaningful. A program budget groups all the expenditures associated with a specific service, or program, regardless of the fund from which the resources are obtained. A true program budget includes actual expenditures for personnel, services and supplies as well as indirect expenditures or allocations for facilities, equipment, and administrative services.

In actual practice there are a number of variations in the ways in which budgets are organized. These variations range from a fund line-item, or appropriation budget, to a true program budget as described above. The Village of Mount Prospect uses a “modified program budget” whereby services, or programs, are organized around a department or a division. A department or division is a unit that has been designated by management as a means for providing a specific service. The Village's Fire Department and Street Division of the Public Works Department are examples of these units of management. Thus the department or division is the way expenditure amounts are organized in the budget rather than around a fund structure.

Under the Village's modified program budget structure, services or programs are designated within the departmental or divisional unit. Each program includes line-item costs which are categorized by personal services, employee benefits, contractual services, commodities and capital expenditures. All costs which can be reasonably identified with the program are included regardless of the source of funding. A summary page at the beginning of each budget expenditure section lists the program totals, expenditure category totals, the source of funding, and extraordinary increases or decreases.

The Village complies with state and accounting mandated requirements to account for revenues and expenditures on the fund basis by identifying each line-item expenditure within a department or division with the fund that will provide the resources. These amounts are summarized at the beginning of each departmental or divisional section and then included as an overall fund total in the Budget Summaries Section. It should be noted that revenues are not departmentalized but are reported directly in the appropriate fund structure in the Revenues Section. As a result, the Village's annual budget fulfills legal reporting requirements and provides a meaningful way to present the costs associated with a service.

THE BUDGET DOCUMENT

The Budget document has been organized in such a way as to provide varying levels of detail to satisfy the information needs of Village residents, elected officials, advisory commission members, Village administrators and other persons interested in the fiscal plan of the Village. The Budget contains a Table of Contents which itemizes the general categories of information that are contained in the six sections identified by the gray tabs. The six sections are: Introduction, Budget Summaries, Revenues, Departmental Expenditures, Non-Departmental Expenditures and Appendix. Each section may be reviewed independently or certain sections may be used to expand on the information found in the Introduction or the Budget Summaries sections. A description of the information found in the six sections follows:

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Introduction - This section contains a list of Village officials, the Village Organization Chart, copy of the Budget Ordinance and the Village Manager's Budget Message. The Village Organization Chart provides an overview of the structure of Village government and the Village Manager's Budget Message is an essential first step in understanding the fiscal plan of the Village. It describes some of the accomplishments of the prior year and defines the goals for the coming year along with highlights of revenues and expenditures. The Budget Message sets the tone for how Village services and public improvements will be accomplished in the new fiscal year.

Also included in the Introduction is a description of the Budget Process, the Budget Model, the Budget Document, the Distinguished Budget Award, Fund Descriptions and a Budget Calendar.

Budget Summaries - This section presents an overview of the fiscal plan for the coming year through graphics and schedules. The total Village budget is presented graphically and by a schedule which contains prior year actual figures, current year budget and estimated amounts, the proposed budget amounts and forecast amounts for the next year. (Throughout the budget, the current year (2006) budget amounts reflect transfers and amendments as of September 21, 2006.) More specific summary information is provided in a similar format for Revenues and Other Sources and Budget Expenditures. Additionally, similar schedules are presented for Revenues By Fund, Expenditures By Fund, and Available Fund Balances at the start and at the end of the budget year and the forecast year.

This section also provides supplemental information regarding Authorized Positions, Personal Services, Property Taxes, Long-Term Debt, the results of the Park Ridge Survey of the cost of Municipal Services, and finally, a profile of the Village of Mount Prospect.

Revenues - This section provides an explanation of revenue sources expected to finance the budget along with a summary of revenues by category and a summary of revenues by fund. These summaries are followed by detail line-items that are totaled by category within a fund. The summary pages in this section are the same as the summary pages in the Budget Summaries Section.

Departmental Expenditures - This section of the budget contains specific information regarding each operating department, division and/or program. Each sub-section contains an organization chart, statement of activities, accomplishments, objectives for the budget year, performance measures, detail line-items totaled by expenditure classifications within a program, and supplemental summary information regarding the number of authorized employee positions, personal service costs, and capital expenditures.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Non-Departmental Expenditures - Expenditures which are not associated with an operating department or division are included in this section of the budget. Capital Improvements, Debt Service, Pensions, Insurance and Contingencies and the Mount Prospect Library, a component unit, are the specific sub-sections included under Non-Departmental Expenditures. Generally the information in this section is similar to what is provided under Departmental Expenditures with the exception of the organization charts.

Appendix - This section includes a glossary of fiscal terminology that is unique to governmental finance and budgeting. For example, the terms revenues, expenditures, General Fund and available fund balance, along with many other fiscal terms are included in the Glossary.

A user of the budget who is looking for an overview or a general picture of the Village's plans for the coming year can usually find this information in the Introduction or the Budget Summaries sections of the budget. A user who is interested in a more comprehensive picture, would be directed to the Revenue, Departmental Expenditures and/or Non-Departmental Expenditures sections along with the appropriate summary and supplemental information. Terminology in the budget that may not be clear, generally will be found in the glossary in the Appendix section of the budget.

After more than eight months of planning and critical review, the budget becomes the fiscal plan for the new budget year. However, just as other plans are subject to change, the Village's fiscal plan (budget) is subject to change during the year. Emergency situations, emerging needs, new opportunities and unforeseen obstacles may require a change in plans during the year. When these circumstances arise, appropriate action will be taken. If the change involves reassigning priorities within a fund, Village management is authorized to make these changes. If the change requires an expenditure that will exceed the amount appropriated for a specific fund, the Village Board will be requested to amend the budget.

Thus the budget is a dynamic plan that fulfills its purpose of providing the fiscal framework for providing services to Village residents during the budget year and serves as a basis to plan for the future.

BUDGET AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Mount Prospect, Illinois for its annual budget for the fiscal year beginning January 1, 2006. In order to receive this award a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our 2007 budget continues to conform to program requirements, and we are submitting it to the Government Finance Officers Association to determine its eligibility for another award.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

FUND DESCRIPTIONS

General Fund. To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Refuse Disposal Fund. To account for the revenues and expenditures associated with providing solid waste collection services. Financing is provided by property taxes, user fees, and recycling income.

Motor Fuel Tax Fund. To account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

Local Law Enforcement Block Grant Fund. To account for the revenue and expenditures of the Local Law Enforcement Block Grant from the federal government.

Community Development Block Grant Fund. To account for the revenue and expenditures of the Community Development Block Grant from the federal government.

Asset Seizure Fund. To account for the revenue and expenditures of proceeds from the federal asset seizure program. Expenditures are restricted for use in the fight against drug abuse.

DEA Shared Funds Fund. To account for the revenue and expenditures of proceeds from the Federal DEA Shared Funds Program. Expenditures are restricted for use in the fight against drug abuse.

DUI Fine Fund. To account for the revenue and expenditures of proceeds from DUI Fines as collected by the Circuit Court of Cook County. Expenditures are restricted for use in law enforcement activities.

Debt Service Funds

Series 1987 B&I, Public Works Facility. To accumulate monies for payment of principal and interest on general obligation bonds issued for the construction of a public works facility. The bonds are capital appreciation bonds. They were issued June 1, 1987 and will mature January 1, 2007. Financing will be provided by an annual property tax levy.

Series 2001 B&I, Village Hall. To accumulate monies for payment of principal and interest on general obligation bonds issued to fund a portion of the costs of construction of a new Village Hall and Community Center and a multi-level parking structure. Financing is being provided by an annual property tax levy and transfers from other funds. The bonds were issued October 1, 2001 and mature December 1, 2021.

Series 2003 B&I, Village Hall. To accumulate monies for payment of principal and interest on general obligation bonds issued to fund the balance of costs associated with construction of a new Village Hall, Community Center and a multi-level parking structure. Financing is expected to be provided by an annual property tax levy and transfers from other funds. The bonds were issued February 1, 2003 and will mature December 1, 2022.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Series 1998C B&I, TIF. To accumulate monies for payment of principal and interest on taxable general obligation bonds issued on December 1, 1998 for the acquisition of property in Downtown Redevelopment Tax Increment Financing District No. 1. Financing is being provided by property tax increment revenues and land sale proceeds. The bonds mature December 1, 2007.

Series 1999 B&I, TIF. To accumulate monies for payment of principal and interest on taxable general obligation bonds issued on March 1, 1999 for the acquisition of property in Downtown Redevelopment Tax Increment Financing District No. 1. Financing is being provided by property tax increment revenues and land sale proceeds. The bonds mature August 1, 2008.

Series 1998A B&I, Flood. To accumulate monies for payment of principal and interest on general obligation bonds issued April 1, 1998 for flood control projects. Financing will be provided by a portion of a home rule sales tax. The bonds mature December 1, 2007.

Series 2000 B&I, Flood. To accumulate monies for payment of principal and interest on \$2,165,000 of general obligation bonds issued on June 15, 2000 for various flood control projects. Financing will be provided from a portion of a home rule sales tax. The bonds mature on December 1, 2008.

IEPA Flood Control Loans B&I. To accumulate monies for payment of principal and interest on loans from the Illinois Environmental Protection Agency for sewer and flood control improvements. The Village received three separate loans during 1994, another loan in 1996 and a fifth loan in 1999. The debt service on each loan spans approximately 20 years. The final installment payment on the loans will be December 3, 2019. Financing is being provided by a portion of home rule sales tax.

Capital Projects Funds

Capital Improvement Fund. To account for the resources to provide for certain capital improvements and the replacement of Village equipment. Financing is being provided by developer contributions, interest income, the sale of property, and interfund transfers.

Downtown Redevelopment Construction Fund. To account for the resources to acquire property and construct certain improvements in the Downtown Redevelopment Tax Incremental Financing District No. 1. Financing is being provided by the sale of various general obligation bonds, the sale of property, and incremental property taxes. Other monies are being provided by interest income.

Street Improvement Construction Fund. To account for resources to carry out the Village's Street Improvement Program from 1998 through 2010. Financing will be provided by a portion of a home rule sales tax, a food and beverage tax and a local motor fuel tax. Other monies will be provided by interest income.

Flood Control Construction Fund. To account for the resources to implement flood control projects throughout the Village. Financing is being provided by the sale of general obligation bonds in 1996, 1998, 2000 and 2002, installment loans from the Illinois Environmental Protection Agency (IEPA), grants, and interest income.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
BUDGET INTRODUCTION

Enterprise Funds

Water and Sewer Fund. To account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Village Parking System Fund. To account for the provision of public parking services of Village owned lots for a fee. All activities are accounted for including administration, operations, maintenance, financing and related debt service and billing and collection.

Parking System Revenue Fund. To account for the provision of public parking services of Metra owned lots for a fee. All activities are accounted for including administration, operations, maintenance, financing and related debt service and billing and collection.

Internal Service Funds

Vehicle Maintenance Fund. To account for the maintenance and repair of all Village vehicles except Fire Department vehicles. Financing is being provided by charges to various Village funds.

Vehicle Replacement Fund. To account for the acquisition and depreciation of Village vehicles. Financing is being provided by charges to the General, Refuse Disposal, Water & Sewer, Village Parking System Fund and Parking System Revenue Funds.

Computer Replacement Fund. To account for the acquisition and depreciation of Village computer hardware. Financing is being provided by charges to the General, Refuse Disposal, Vehicle Maintenance, and Water & Sewer Funds.

Risk Management Fund. To account for the servicing and payment of liability, property, and casualty insurance and self-insurance as well as workers' compensation and medical benefits. Financing is being provided by charges to various Village funds.

Pension Trust Funds

Police Pension Fund. To account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Police Department. Revenues are provided by a property tax levy, employee withholdings, and investment income.

Fire Pension Fund. To account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Fire Department. Revenues are provided by a property tax levy, employee withholdings, and investment income.

Component Unit Fund

Mount Prospect Library Fund. To account for revenues and expenditures of the Mount Prospect Public Library. Also included in this fund are the principal and interest payments the Series 2002 Library Bonds issued by the Village.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Mount Prospect
Illinois**

For the Fiscal Year Beginning

January 1, 2006

President

Executive Director

VILLAGE OF MOUNT PROSPECT
BUDGET CALENDARS
2007 and 2008

2007 DATE	ACTION	2008 DATE
3/8/06	Capital Improvement Plan (CIP) Worksheets forwarded to Department Directors	3/9/07
4/7/06	Completed CIP Worksheets returned to Finance Department	4/6/07
5/15/06 to 5/19/06	Department CIP reviews with Village Manger and Finance Director	5/14/07 to 5/18/07
5/20/06	Long-Range Financial Planning Workshop (Saturday)	5/19/07
5/26/06	Complete Proposed CIP Amounts	5/25/07
6/9/06	Deliver Proposed CIP to Village Board and Finance Commission	6/8/07
6/22/06	Review Proposed CIP with Finance Commission	6/28/07
7/11/06	Committee of the Whole - CIP Review Session	7/10/07
7/18/06	Acceptance of Proposed CIP at Village Board Meeting	7/17/07
7/21/06	Budget Worksheets forwarded to Department Directors	7/20/07
8/8/06	Committee of the Whole - Mid-Year Budget Review and Pre-Budget Workshop	8/14/07
8/11/06	CIP available for distribution	8/10/07
8/11/06	Completed Budget Worksheets returned to Finance Department	8/10/07
8/11/06	Revenue Estimates completed by Finance Department	8/10/07
9/11/06 to 9/15/06	Department Budget reviews with Village Manager and Finance Director	9/4/07 to 9/7/07
9/22/06	Complete Proposed Budget Amounts	9/14/07

**VILLAGE OF MOUNT PROSPECT
BUDGET CALENDARS
2007 and 2008**

2007 DATE	ACTION	2008 DATE
10/13/06	Deliver Proposed Budget to Village Board and Finance Commission	10/5/07
10/13/06	Proposed Budget available for public inspection at the Village Clerk's Office and the Mount Prospect Public Library	10/5/07
10/19/06	Review of Proposed Budget with the Finance Commission	10/11/07
10/25/06		10/18/07
11/2/06		10/25/07
10/24/06	Committee of the Whole - First Budget Hearing (7:00pm - 10:00pm) Overview, Departmental Presentations	10/23/07
11/14/06	Committee of the Whole - Second Budget Hearing (7:00pm - 10:00pm) Departmental Presentations	11/13/07
11/28/06	Committee of the Whole - Third Budget Hearing (7:00pm - 10:00pm) (If Necessary)	11/27/07
12/5/06	Truth in Taxation Public Hearing	12/4/07
12/5/06	First Reading of Proposed Budget Ordinance at Village Board Meeting	12/4/07
12/19/06	Public Hearing and Second Reading of Proposed Budget Ordinance at Village Board Meeting	12/18/07
1/19/07	Approved Budget available for distribution	1/18/08

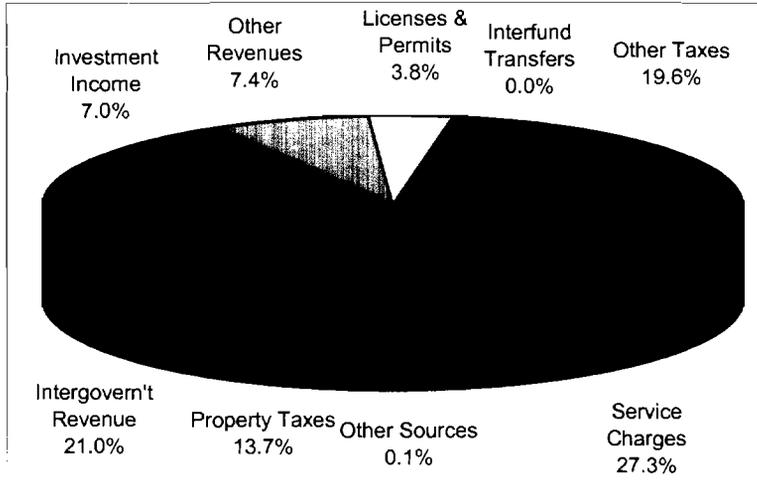


VILLAGE OF MOUNT PROSPECT

2007 BUDGET SUMMARY

TOTAL VILLAGE BUDGET

2007 Revenues & Other Sources



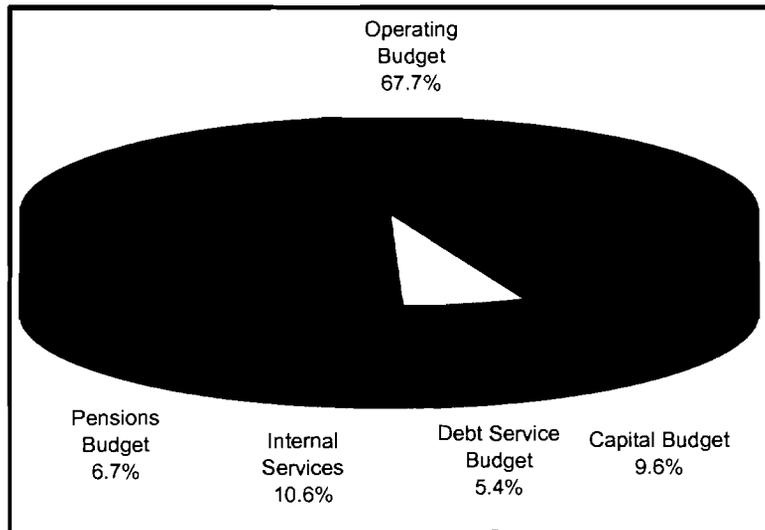
January 1 - December 31, 2007

Other Taxes	15,384,659
Service Charges	21,409,733
Other Sources	60,000
Property Taxes	10,740,712
Intergovern't Revenue	16,480,809
Investment Income	5,501,950
Other Revenues	5,796,944
Licenses & Permits	2,954,888
Interfund Transfers	-

Village Totals **78,329,695**

Library Revenues -
Budget Resources **78,329,695**

2007 Budget Expenditures



January 1 - December 31, 2007

Operating Budget	51,795,810
Capital Budget	7,366,920
Debt Service Budget	4,163,928
Internal Services	8,076,630
Pensions Budget	5,137,624

Village Totals **76,540,912**

Library Expenditures -
Budget Expenditures **76,540,912**

The purpose of this graphic is to provide an overview of the total Village of Mount Prospect budget for January 1, 2007 through December 31, 2007. The schedule on the next page shows revenues and other sources of financing, budget expenditures and available fund balances for 2006 through 2008. More detailed schedules are included on pages 3 - 7.

**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
TOTAL VILLAGE BUDGET**

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
REVENUES AND OTHER SOURCES					
Property Taxes	11,839,088	10,441,909	10,537,909	10,740,712	11,073,364
Other Taxes	14,621,028	14,566,963	15,073,743	15,384,659	15,327,371
Licenses, Permits & Fees	3,148,227	2,880,166	3,004,000	2,954,888	2,955,117
Intergovernmental Revenue	15,430,383	16,052,627	16,219,958	16,480,809	16,603,246
Charges for Service	16,597,244	20,422,428	20,225,666	21,409,733	22,468,957
Fines and Forfeits	610,451	547,200	510,000	553,000	552,100
Investment Income	7,216,999	4,211,275	5,085,400	5,501,950	5,591,300
Reimbursements	435,665	347,788	313,318	271,240	596,240
Other Revenue	4,673,038	4,762,088	4,912,894	4,972,704	5,320,194
Interfund Transfers	972,824	315,000	496,328	-	-
Other Financing Sources	2,198,954	3,860,000	60,000	60,000	60,000
Village Revenues and Other Sources	77,743,901	78,407,444	76,439,216	78,329,695	80,547,889
Mount Prospect Library Revenues	7,517,924	8,113,291	8,113,291	(a)	(a)
Total Revenues and Other Sources	85,261,825	86,520,735	84,552,507	78,329,695	80,547,889
BUDGET EXPENDITURES					
Village Operating Budget	47,687,938	49,219,982	50,371,779	51,795,810	53,814,812
Village Capital Budget	4,666,948	13,044,229	7,374,859	7,366,920	9,616,110
Debt Service Budget	4,540,751	3,833,577	3,818,463	4,163,928	4,649,553
Pension Systems Budget	4,743,279	4,951,821	4,999,339	5,137,624	5,254,591
Internal Services Budget (b)	6,522,689	7,807,209	7,436,352	8,076,630	8,628,651
Total Village Expenditures	68,161,605	78,856,818	74,000,792	76,540,912	81,963,717
Mount Prospect Library Budget	7,167,072	8,113,291	8,113,291	(a)	(a)
Total Expenditures (d)	75,328,677	86,970,109	82,114,083	76,540,912	81,963,717
CHANGES IN FUND BALANCES				(d)	(d)
Excess (Deficiency) of Revenues & Other Sources Over Expenditures	9,933,148	(449,374)	2,438,424	1,788,783	(1,415,828)
Fund Balances					
Start of Budget Year	97,889,740	107,822,888	107,822,888	110,261,312	112,050,095
End of Budget Year	107,822,888	107,373,514	110,261,312	112,050,095	110,634,267
Less: Pension Fund Balances (c)	(75,375,958)	(77,484,557)	(77,899,754)	(81,025,453)	(84,506,585)
Available Fund Balances	32,446,930	29,888,957	32,361,558	31,024,642	26,127,682

(a) Not available as of October 13, 2006.

(b) Internal Services Budget includes Vehicle Maintenance Fund and Risk Management Fund. The Equipment Replacement Fund and Computer Replacement Fund are included in the Village Capital Budget.

(c) Pension Fund Balances are reserved for pension benefits and not available for appropriation.

(d) Does not include the results of operation of the Mount Prospect Library for 2007 Budget and 2008 Forecast.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
REVENUES AND OTHER SOURCES BY REVENUE TYPE

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
PROPERTY TAXES	11,839,088	10,441,909	10,537,909	10,740,712	11,073,364
OTHER TAXES					
Home Rule Sales Tax	3,770,535	3,914,197	3,944,750	4,080,000	4,201,000
Food & Beverage Tax	732,570	725,505	753,305	775,000	798,000
Special Service Area Taxes	1,562,343	1,524,100	1,564,100	1,534,100	1,534,100
Property Tax Increment	1,862,132	2,397,911	2,058,388	2,308,359	2,104,071
Real Estate Transfer Tax	1,515,403	1,075,000	1,398,000	1,331,000	1,331,000
Utility Taxes	4,770,080	4,468,900	4,818,000	4,818,000	4,818,000
Municipal Motor Fuel Tax	191,192	300,450	328,700	328,700	328,700
Other Taxes	216,773	160,900	208,500	209,500	212,500
	<u>14,621,028</u>	<u>14,566,963</u>	<u>15,073,743</u>	<u>15,384,659</u>	<u>15,327,371</u>
LICENSES, PERMITS & FEES					
Vehicle Licenses	1,367,162	1,365,000	1,385,000	1,385,000	1,385,000
Other Licenses	348,847	348,000	345,500	341,500	341,500
Permit Fees	764,835	517,000	600,000	532,000	532,000
Franchise Fee	364,184	340,000	375,000	375,000	375,000
Other Fees	303,199	310,166	298,500	321,388	321,617
	<u>3,148,227</u>	<u>2,880,166</u>	<u>3,004,000</u>	<u>2,954,888</u>	<u>2,955,117</u>
INTERGOVERNMENTAL REVENUE					
State Sales Tax	8,101,017	8,862,500	8,263,000	8,511,000	8,766,000
State Income Tax	4,198,734	4,000,665	4,392,500	4,524,000	4,660,000
State Motor Fuel Tax	1,667,551	1,625,115	1,603,500	1,587,500	1,587,500
Other State Taxes	952,732	950,875	1,025,720	1,071,500	1,121,000
Community Devl Block Grant	338,864	449,317	609,583	489,809	428,546
Other Grants	171,485	164,155	325,655	297,000	40,200
	<u>15,430,383</u>	<u>16,052,627</u>	<u>16,219,958</u>	<u>16,480,809</u>	<u>16,603,246</u>
CHARGES FOR SERVICE					
Water & Sewer Charges	7,387,943	8,846,611	8,974,471	9,420,000	9,846,000
Parking Charges	197,775	202,000	198,000	198,000	198,000
Refuse Disposal Charges	1,025,803	1,058,330	1,040,350	1,192,450	1,252,450
Internal Service Fund Charges	7,300,453	7,778,405	7,779,234	8,028,251	8,575,348
Other Service Charges	685,270	2,537,082	2,233,611	2,571,032	2,597,159
	<u>16,597,244</u>	<u>20,422,428</u>	<u>20,225,666</u>	<u>21,409,733</u>	<u>22,468,957</u>
FINES AND FORFEITS	610,451	547,200	510,000	553,000	552,100
INVESTMENT INCOME					
General Fund	211,172	204,700	395,800	397,000	397,000
Pension Funds	6,413,078	3,519,425	3,784,600	4,335,500	4,498,500
Other Funds	592,749	487,150	905,000	769,450	695,800
	<u>7,216,999</u>	<u>4,211,275</u>	<u>5,085,400</u>	<u>5,501,950</u>	<u>5,591,300</u>

**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
REVENUES AND OTHER SOURCES BY REVENUE TYPE**

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
REIMBURSEMENTS	435,665	347,788	313,318	271,240	596,240
OTHER REVENUE					
Village Police & Fire Pension Contributions	2,289,574	2,448,272	2,471,875	2,677,040	2,940,463
Developer Donations	133,500	14,500	14,500	14,500	-
Employee & Retiree Contributions	1,853,573	2,036,391	2,166,719	2,050,064	2,148,631
Other Revenue	396,391	262,925	259,800	231,100	231,100
	<u>4,673,038</u>	<u>4,762,088</u>	<u>4,912,894</u>	<u>4,972,704</u>	<u>5,320,194</u>
TOTAL VILLAGE REVENUES	74,572,123	74,232,444	75,882,888	78,269,695	80,487,889
INTERFUND TRANSFERS	972,824	315,000	496,328	-	-
OTHER FINANCING SOURCES					
Bond Proceeds	-	3,800,000	-	-	-
Sale of Property	2,198,954	60,000	60,000	60,000	60,000
	<u>2,198,954</u>	<u>3,860,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
TOTAL VILLAGE REVENUES AND OTHER SOURCES	77,743,901	78,407,444	76,439,216	78,329,695	80,547,889
MOUNT PROSPECT LIBRARY REVENUES	7,517,924	8,113,291	8,113,291	(a)	(a)
TOTAL REVENUES AND OTHER SOURCES VILLAGE AND LIBRARY (b)	85,261,825	86,520,735	84,552,507	78,329,695	80,547,889
CHANGES IN FUND BALANCES					(b)
Total Revenues & Other Sources	85,261,825	86,520,735	84,552,507	78,329,695	80,547,889
Total Expenditures	76,918,175	86,970,109	82,114,083	76,540,912	81,963,717
Additions to <Use of> Fund Balances	8,343,650	(449,374)	2,438,424	1,788,783	(1,415,828)
ANALYSIS OF CHANGES IN FUND BALANCES					(b)
Additions to Pension Fund Balances	5,089,746	2,164,208	2,523,796	3,125,699	3,481,132
Additions to Other Fund Balances					
<Use of> Other Fund Balances	3,253,904	(2,613,582)	(85,372)	(1,336,916)	(4,896,960)
	<u>8,343,650</u>	<u>(449,374)</u>	<u>2,438,424</u>	<u>1,788,783</u>	<u>(1,415,828)</u>

- (a) Figures not available as of October 13, 2006.
(b) Does not include the Mount Prospect Library.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
BUDGET EXPENDITURES

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
VILLAGE OPERATING BUDGET					
PUBLIC REPRESENTATION	114,467	118,893	122,498	128,280	131,991
VILLAGE ADMINISTRATION					
Village Manager's Office	1,888,175	2,049,512	2,178,494	2,490,110	2,479,090
Television Services Division	206,928	169,351	172,995	178,567	189,014
Village Clerk's Office	169,128	203,826	197,988	200,188	210,680
Finance Department	1,553,971	1,636,761	1,680,603	1,726,380	1,792,259
Totals	3,818,202	4,059,450	4,230,080	4,595,245	4,671,043
COMMUNITY DEVELOPMENT					
Community Development	1,624,977	1,805,531	1,826,054	2,039,934	2,124,412
Community Development/CDBG	505,949	691,200	659,683	549,809	488,546
Totals	2,130,926	2,496,731	2,485,737	2,589,743	2,612,958
HUMAN SERVICES DEPARTMENT	690,087	733,561	747,302	756,007	795,734
PUBLIC SAFETY AND PROTECTION					
Police Department	11,594,501	11,532,928	11,494,747	12,220,220	12,756,148
Fire Department	9,383,708	8,722,426	8,713,383	9,038,349	9,532,796
Totals	20,978,209	20,255,354	20,208,130	21,258,569	22,288,944
PUBLIC WORKS DEPARTMENT					
Administration	1,083,784	1,181,208	1,190,652	1,259,759	1,262,587
Streets/Bldgs/Parking	2,639,515	2,611,883	2,639,939	2,728,700	2,962,794
Forestry	1,413,905	1,553,262	1,563,573	1,671,212	1,772,631
Engineering	1,019,886	1,365,962	1,383,070	1,294,207	1,397,651
Water/Sewer	9,007,000	10,229,607	10,236,608	11,131,631	11,362,492
Refuse Disposal	3,534,906	3,960,243	4,011,835	4,029,607	4,195,608
Totals	18,698,996	20,902,165	21,025,677	22,115,116	22,953,763
COMMUNITY & CIVIC SERVICES	284,227	338,828	344,528	352,850	360,379
CONTINGENCIES & EQUITY TRANSFERS	972,824	315,000	1,207,827	-	-
TOTAL OPERATING BUDGET	47,687,938	49,219,982	50,371,779	51,795,810	53,814,812

**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
BUDGET EXPENDITURES**

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
VILLAGE CAPITAL BUDGET					
Village Improvements & Equip	290,159	1,548,955	1,463,497	653,000	1,202,700
Community Improvement Projects	67,963	113,401	83,401	10,000	488,000
Downtown Redevelopment Constr	378,448	6,045,926	1,240,199	1,880,300	1,491,450
Flood Control Projects	186,334	527,538	353,053	244,000	700,000
Street Improvement Projects	2,624,265	3,614,929	3,084,929	3,369,100	4,578,560
Motor Equipment Replacement	935,933	1,030,680	986,980	961,470	1,014,200
Computer Replacement	183,846	162,800	162,800	249,050	141,200
Totals	4,666,948	13,044,229	7,374,859	7,366,920	9,616,110
DEBT SERVICE BUDGET					
Debt Service - Property Tax	1,979,110	1,450,361	1,435,247	1,685,359	1,280,773
Debt Service - Tax Increment	1,096,145	996,675	996,675	1,069,675	1,754,900
Debt Service - Home Rule Sales Tax 1	1,427,696	1,386,541	1,386,541	1,408,894	1,613,880
Debt Service - Special Service Area	37,800	-	-	-	-
Totals	4,540,751	3,833,577	3,818,463	4,163,928	4,649,553
PENSION SYSTEMS BUDGET					
Miscellaneous Pensions	50,463	55,609	43,609	44,533	45,460
Police Pensions	2,305,508	2,375,461	2,410,233	2,465,133	2,523,753
Fire Pensions	2,387,308	2,520,751	2,545,497	2,627,958	2,685,378
Totals	4,743,279	4,951,821	4,999,339	5,137,624	5,254,591
VILLAGE INTERNAL SERVICES BUDGET					
Vehicle Maintenance Services	1,305,190	1,450,029	1,453,496	1,573,353	1,673,551
Risk Management					
Casualty and Property Insurance	937,227	1,325,485	951,161	1,360,353	1,380,242
Medical Insurance	4,280,272	5,031,695	5,031,695	5,142,924	5,574,858
Totals	6,522,689	7,807,209	7,436,352	8,076,630	8,628,651
TOTAL VILLAGE EXPENDITURES	68,161,605	78,856,818	74,000,792	76,540,912	81,963,717
MOUNT PROSPECT LIBRARY BUDGET	7,167,072	8,113,291	8,113,291	(a)	(a)
TOTAL BUDGET EXPENDITURES (b)	75,328,677	86,970,109	82,114,083	76,540,912	81,963,717

(a) Figures not available as of October 13, 2006.

(b) Does not include the Mount Prospect Library for 2007 Budget and 2008 Forecast.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
FUND SUMMARIES

Explanation of Fund Summaries

Illinois Statutes and Generally Accepted Accounting Principles require a municipality to account for revenues and expenditures on a "fund" basis. A fund is a separate accounting entity which is organized with a set of self-balancing accounts and which is established to accomplish a specific purpose. Funds may be required by state statute, Village ordinance, or by the Government Accounting Standards Board (GASB). For example, Illinois Statutes require Motor Fuel Tax monies to be accounted for in the Motor Fuel Tax Fund. Village bond ordinances generally require separate bond proceeds funds and separate bond and interest funds, and the GASB has established specific fund types and fund groups to ensure consistency of reporting by municipalities. The Village's fund structure conforms to these legal and accounting requirements.

Although the Village is required to account for revenues and expenditures on a fund basis, the Village's Annual Budget is not organized along fund lines. Revenues are recorded in the appropriate fund, but expenditures are reported by program within a department or division regardless of the fund that is providing the resources. All line-items are identified by a fund code and fund totals are summarized by department or division. However, overall fund totals are not included in the expenditure portion of the budget document. This type of budget structure emphasizes the overall cost of the program rather than an expenditure from a particular source of revenue.

To satisfy the legal and accounting requirements that revenues and expenditures are accounted for on a "fund" basis, budget line-item amounts are aggregated by fund and presented in the following three summaries: 1) Revenues and Other Sources By Fund; 2) Expenditures By Fund; and 3) Available Fund Balances. The first two schedules show actual amounts for 2005, budget and estimated amounts for 2006, budget amounts for 2007, and forecast amounts for 2008. The Available Fund Balances schedules add the estimated fund balances as of the start of the year with budget revenues and then subsequent budget expenditures to arrive at the estimated fund balances at the end of the year. Available Fund Balances schedules that show the estimated balances as of December 31, 2007 and December 31, 2008 are included.

The Available Fund Balances schedules compare the expected fund balances at the end of the year with the Village's recommended or "target balances" for each fund and fund group. Target balances represent the amounts needed for sound fiscal policy and adequate cash-flow needs. Although the Available Fund Balances schedules are not a required schedule, they provide valuable information for fiscal planning purposes.



VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
REVENUES AND OTHER SOURCES BY FUND

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
GENERAL FUND	35,918,259	34,161,176	34,729,890	35,785,983	36,577,923
SPECIAL REVENUE FUNDS					
Refuse Disposal Fund	3,325,990	4,033,827	4,077,847	4,300,751	4,419,740
Motor Fuel Tax Fund	1,741,319	1,639,215	1,651,250	1,628,750	1,946,250
Law Enforcement Block Grant	769	1,000	1,030	1,000	1,000
Community Dev. Block Grnt	505,948	499,317	659,683	549,809	488,546
Asset Seizure Fund	10,125	1,100	10,750	2,600	1,700
DEA Shared Funds Fund	1,549	2,500	2,500	2,500	2,500
DUI Fine Fund	20,642	23,300	20,450	20,350	20,350
Foreign Fire Tax Board Fund	-	-	89,402	51,500	55,500
	5,606,342	6,200,259	6,512,912	6,557,260	6,935,586
DEBT SERVICES FUNDS					
G.O. Bonds - Property Taxes	2,160,882	1,726,105	1,745,105	1,321,750	1,320,100
G.O. Bonds - Tax Increment	1,086,922	1,046,250	1,057,400	1,165,007	1,151,000
G.O. Bonds - Home Rule Sales Tax 1	1,267,436	1,311,897	1,327,750	1,367,550	1,401,300
G.O. Bonds - Home Rule Sales Tax 2	370,240	-	-	-	-
Special Service Area Bonds	29,141	-	15,350	-	-
	4,914,621	4,084,252	4,145,605	3,854,307	3,872,400
CAPITAL PROJECTS FUNDS					
Capital Improvement Fund	346,567	52,626	207,626	262,800	-
Downtown Redevlpmnt Const	1,902,053	5,167,911	1,100,401	1,220,052	1,004,071
Street Improve Const Fund	1,526,745	1,769,955	1,924,868	1,711,100	1,739,900
Flood Control Const Fund	29,966	27,250	42,000	32,000	-
	3,805,331	7,017,742	3,274,895	3,225,952	2,743,971
ENTERPRISE FUNDS					
Water And Sewer Fund	9,092,687	10,512,211	10,709,571	11,149,100	11,576,600
Village Parking System Fund	106,845	102,756	95,740	96,738	96,967
Parking System Revenue Fund	106,086	238,455	240,805	111,100	111,100
	9,305,618	10,853,422	11,046,116	11,356,938	11,784,667
INTERNAL SERVICE FUNDS					
Vehicle Maintenance Fund	1,313,248	1,450,058	1,455,258	1,573,353	1,697,114
Vehicle Replacement Fund	1,039,279	1,083,413	1,189,383	1,093,626	1,093,626
Computer Replacement Fund	168,250	180,020	194,949	189,547	190,477
Risk Management Fund	5,887,051	6,316,682	6,410,682	6,473,939	6,961,862
	8,407,828	9,030,173	9,250,272	9,330,465	9,943,079

**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
REVENUES AND OTHER SOURCES BY FUND**

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
FIDUCIARY FUNDS					
Police Pension Fund	4,968,994	3,654,043	3,976,051	4,125,500	4,361,824
Fire Pension Fund	4,813,568	3,406,377	3,503,475	4,093,290	4,328,439
Series 2002 Library Bond	3,340	-	-	-	-
	9,785,902	7,060,420	7,479,526	8,218,790	8,690,263
TOTAL REVENUE & OTHER SOURCES VILLAGE FUNDS					
	7,773,900	7,409,217	7,649,216	7,649,695	8,057,885
MOUNT PROSPECT LIBRARY FUND					
	7,517,924	8,113,291	8,113,291	(a)	(a)
TOTAL REVENUE & OTHER SOURCES VILLAGE OF LIBRARY FUNDS					
	8,295,825	8,520,715	8,233,417	7,649,695	8,057,885 (b)

- (a) Figures not available as of October 13, 2006.
 (b) Does not include the Mount Prospect Library.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
EXPENDITURES BY FUND

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
GENERAL FUND	33,650,878	33,445,888	34,550,926	35,317,365	36,900,406
SPECIAL REVENUE FUNDS					
Refuse Disposal Fund	3,534,906	3,960,243	4,011,835	4,029,607	4,195,608
Motor Fuel Tax Fund	1,920,890	2,538,717	2,138,717	1,729,610	2,179,086
Local Law Enforcement Block Grant	769	1,000	1,000	1,000	1,000
Community Development Block Grant	505,949	691,200	659,683	549,809	488,546
Asset Seizure Fund	-	1,100	1,000	1,000	1,000
DEA Shared Funds Fund	30,420	2,500	5,629	1,000	1,000
DUI Fine Fund	26,199	1,000	1,500	1,000	1,000
Foreing Fire Tax Board Fund	-	-	3,130	10,000	10,000
Totals	6,019,133	7,195,760	6,822,494	6,323,026	6,877,240
DEBT SERVICE FUNDS					
G.O. Bonds - Property Taxes	1,979,110	1,450,361	1,435,247	1,685,359	1,280,773
G.O. Bonds - Tax Increment	1,096,145	996,675	996,675	1,069,675	1,754,900
G.O. Bonds - Home Rule Sales Tax 1	1,427,696	1,386,541	1,386,541	1,408,894	1,613,880
Special Service Area Bonds	37,800	-	-	-	-
Totals	4,540,751	3,833,577	3,818,463	4,163,928	4,649,553
CAPITAL PROJECTS FUNDS					
Capital Improvement Fund	358,122	1,658,901	1,417,443	738,000	2,440,700
Downtown Redevelop Const Fund	380,048	6,046,726	1,241,049	1,881,200	1,492,400
Street Improvement Const Fund	1,301,756	1,597,657	1,593,657	2,071,000	2,187,560
Flood Control Const Fund	186,334	527,538	353,053	244,000	700,000
Totals	2,226,260	9,830,822	4,605,202	4,934,200	6,820,660
ENTERPRISE FUNDS					
Water and Sewer Fund	9,007,000	10,229,607	10,236,608	11,131,631	11,362,492
Village Parking System Revenue Fund	210,324	152,798	153,313	123,154	203,332
Parking System Revenue Fund	159,502	260,865	261,324	156,448	145,610
Totals	9,376,826	10,643,270	10,651,245	11,411,233	11,711,434
INTERNAL SERVICE FUNDS					
Vehicle Maintenance Fund	1,305,190	1,450,029	1,453,496	1,573,353	1,673,551
Vehicle Replacement Fund	935,933	1,030,680	986,980	961,470	1,014,200
Computer Replacement	183,846	162,800	162,800	249,050	141,200
Risk Management Fund	5,229,972	6,367,780	5,993,456	6,514,196	6,966,342
Totals	7,654,941	9,011,289	8,596,732	9,298,069	9,795,293

**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
EXPENDITURES BY FUND**

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
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FIDUCIARY FUNDS					
Police Pension Fund	2,305,508	2,375,461	2,410,233	2,465,133	2,523,753
Fire Pension Fund	2,387,308	2,520,751	2,545,497	2,627,958	2,685,378
Totals	4,692,816	4,896,212	4,955,730	5,093,091	5,209,131

TOTAL EXPENDITURES - ALL FUND FUNDS	68,161,605	70,356,819	72,000,727	74,110,722	76,219,863
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MOUNT PROSPECT LIBRARY BUDGET	7,167,072	8,113,291	8,113,291	(a)	(a)
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TOTAL EXPENDITURES - ALL FUND FUNDS - EXCLUDING MOUNT PROSPECT LIBRARY FUNDS - (D)	61,000,000	62,243,528	63,887,436	66,497,630	68,610,710
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(a) Figures not available as of October 13, 2006.
 (b) Does not include the Mount Prospect Library for 2007 Budget and 2008 Forecast.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
AVAILABLE FUND BALANCES 12-31-2007

	Estimated Balance 12-31-06	2007 Budget Revenues	2007 Budget Expenditures	Estimated Balance 12-31-07	
GENERAL FUND	10,695,341	35,785,983	35,317,365	11,163,959	9,225,102
SPECIAL REVENUE FUNDS					
Refuse Disposal Fund	1,752,796	4,300,751	4,029,607	2,023,940	1,048,902
Motor Fuel Tax Fund	377,528	1,628,750	1,729,610	276,668	544,772
Local Law Enf. Block Grant	193	1,000	1,000	193	
Community Development Block Grnt	-	549,809	549,809	-	
Asset Seizure Fund	69,481	2,600	1,000	71,081	
DEA Shared Funds Fund	50,434	2,500	1,000	51,934	
DUI Fine Fund	36,158	20,350	1,000	55,508	
Foreing Fire Tax Board Fund	86,272	51,500	10,000	127,772	
TOTAL	2,372,862	6,557,260	6,323,026	2,607,096	1,507,674
DEBT SERVICES FUNDS					
G.O. Bonds - Property Taxes	502,682	1,321,750	1,685,359	139,073	295,310
G.O. Bonds - Tax Increment	580,956	1,165,007	1,069,675	676,288	377,150
G.O. Bonds - Home Rule Sales Tax 1	(473,142)	1,367,550	1,408,894	(514,486)	306,140
Special Service Area Bonds	17,435	-	-	17,435	
TOTAL	627,931	3,854,307	4,163,928	318,310	1,978,620
CAPITAL PROJECTS FUNDS					
Capital Improvement Fund	547,169	262,800	738,000	71,969	71,969
Downtown Redevelop Const Fund	869,591	1,220,052	1,881,200	208,443	
Street Improvement Const Fund	1,218,916	1,711,100	2,071,000	859,016	859,016
Flood Control Const Fund	578,409	32,000	244,000	366,409	366,409
TOTAL	3,214,085	3,225,952	4,934,200	1,505,837	1,297,394
ENTERPRISE FUNDS					
Water and Sewer Fund (a)	4,082,840	11,149,100	11,131,631	4,100,309	2,840,623
Village Parking System Fund (a)	162,013	96,738	123,154	135,597	50,833
Parking System Revenue Fund (a)	17,767	111,100	156,448	(27,581)	36,403
TOTAL	4,262,620	11,356,938	11,411,233	4,208,325	2,927,859

(a) Estimated balances reflect cash and investment balance, not fund equity.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
AVAILABLE FUND BALANCES 12-31-2007

	Estimated Balance 12-31-06	2007 Budget Revenues	2007 Budget Expenditures	Estimated Balance 12-31-07	Recommended Fund Balance 12-31-07
INTERNAL SERVICE FUNDS (b)					
Vehicle Maintenance Fund	526,187	1,573,353	1,573,353	526,187	526,187
Vehicle Replacement Fund	5,630,017	1,093,626	961,470	5,762,173	5,762,173
Computer Replacement Fund	688,088	189,547	249,050	628,585	628,585
Risk Management Fund	1,299,983	6,473,939	6,514,196	1,259,726	1,259,726
TOTAL	8,144,275	9,330,465	9,298,069	8,176,671	8,144,275
PENSION FUNDS (c)					
Police Pension Fund	38,850,354	4,125,500	2,465,133	40,510,721	52,741,071
Fire Pension Fund	39,049,400	4,093,290	2,627,958	40,514,732	51,391,012
TOTAL	77,899,754	8,218,790	5,093,091	81,025,453	104,132,083
Totals - Village Funds	107,216,868	78,329,695	76,540,912	109,005,651	130,500,370
Less: Pension Funds (c)	(77,899,754)	(8,218,790)	(5,093,091)	(81,025,453)	(104,132,083)
TOTAL AVAILABLE BALANCES VILLAGE FUNDS	29,317,114	70,110,905	71,447,821	27,980,198	26,367,387
MOUNT PROSPECT LIBRARY FUND	3,893,069	(d)	(d)	(d)	(d)
TOTAL AVAILABLE BALANCES VILLAGE & LIBRARY FUNDS	33,210,183	70,110,905	71,447,821	27,980,198	26,367,387

(b) Estimated balances for Internal Service Funds reflect unrestricted net assets only.
(c) Pension Funds are restricted for future pension benefits and do not constitute "Available Fund Balances."
(d) Not available as of October 13, 2006.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
AVAILABLE FUND BALANCES 12-31-2008

	Estimated Balance 1-1-08	2008 Budget Revenues	2008 Budget Expenditures	Estimated Balance 12-31-08	Recommended Fund Balance 12-31-08
GENERAL FUND	11,163,959	36,577,923	36,900,406	10,841,476	9,886,357
SPECIAL REVENUE FUNDS					
Refuse Disposal Fund	2,023,940	4,419,740	4,195,608	2,248,072	1,013,164
Motor Fuel Tax Fund	276,668	1,946,250	2,179,086	43,832	522,000
Local Law Enf. Block Grant	193	1,000	1,000	193	
Community Development Block Grnt	-	488,546	488,546	-	
Asset Seizure Fund	71,081	1,700	1,000	71,781	
DEA Shared Funds Fund	51,934	2,500	1,000	53,434	
DUI Fine Fund	55,508	20,350	1,000	74,858	
Foreing Fire Tax Board Fund	127,772	55,500	10,000	173,272	
TOTAL	2,607,096	6,935,586	6,877,240	2,665,442	1,535,357
DEBT SERVICES FUNDS					
G.O. Bonds - Property Taxes	139,073	1,320,100	1,280,773	178,400	281,924
G.O. Bonds - Tax Increment	676,288	1,151,000	1,754,900	72,388	
G.O. Bonds - Home Rule Sales Tax 1	(514,486)	1,401,300	1,613,880	(727,066)	306,677
Special Service Area Bonds	17,435	-	-	17,435	
TOTAL	318,310	3,872,400	4,649,553	(458,843)	588,601
CAPITAL PROJECTS FUNDS					
Capital Improvement Fund	71,969	-	2,440,700	(2,368,731)	
Downtown Redevelop Const Fund	208,443	1,004,071	1,492,400	(279,886)	
Street Improvement Const Fund	859,016	1,739,900	2,187,560	411,356	
Flood Control Const Fund	366,409	-	700,000	(333,591)	
TOTAL	1,505,837	2,743,971	6,820,660	(2,570,852)	
ENTERPRISE FUNDS					
Water and Sewer Fund (a)	4,100,309	11,576,600	11,362,492	4,314,417	2,982,654
Village Parking System Fund (a)	135,597	96,967	203,332	29,232	53,375
Parking System Revenue Fund (a)	(27,581)	111,100	145,610	(62,091)	38,223
TOTAL	4,208,325	11,784,667	11,711,434	4,281,558	3,074,252

(a) Estimated balances reflect cash and investment balance, not fund equity.

**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
AVAILABLE FUND BALANCES 12-31-2008**

	Estimated Balance 1-1-08	2008 Budget Revenues	2008 Budget Expenditures	Estimated Balance 12-31-08	
INTERNAL SERVICE FUNDS (b)					
Vehicle Maintenance Fund	526,187	1,697,114	1,673,551	549,750	
Vehicle Replacement Fund	5,762,173	1,093,626	1,014,200	5,841,599	
Computer Replacement Fund	628,585	190,477	141,200	677,862	
Risk Management Fund	1,259,726	6,961,862	6,966,342	1,255,246	
TOTAL	8,176,671	9,943,079	9,795,293	8,324,457	
PENSION FUNDS					
Police Pension Fund	40,510,721	4,361,824	2,523,753	42,348,792	
Fire Pension Fund	40,514,732	4,328,439	2,685,378	42,157,793	
TOTAL	81,025,453	8,690,263	5,209,131	84,506,585	
Totals - Village Funds	109,005,651	80,547,889	81,963,717	107,589,823	
Less: Pension Funds (c)	(81,025,453)	(8,690,263)	(5,209,131)	(84,506,585)	
TOTAL AVAILABLE BALANCES VILLAGE FUNDS					
	27,980,198	71,857,626	76,754,586	23,083,238	24,596,359
MOUNT PROSPECT LIBRARY FUND					
	(d)	(d)	(d)	(d)	(d)
TOTAL AVAILABLE BALANCES VILLAGE & LIBRARY FUNDS (e)					
	27,980,198	71,857,626	76,754,586	23,083,238	24,596,359

- (b) Estimated balances for Internal Service Funds reflect unrestricted net assets only.
- (c) Pension Funds are restricted for future pension benefits and do not constitute "Available Fund Balances."
- (d) Not available as of October 13, 2006.
- (e) Does not include Mount Prospect Library.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET
SUPPLEMENTAL INFORMATION

Supplemental Schedules and Graphics

The following schedules and graphics present historical and current information regarding Personal Services, Property Taxes, Long-Term Debt, the Cost of Providing Municipal Services, and a Profile of the Village of Mount Prospect. Following is an introduction to each presentation:

Real Estate Taxes - There are four graphics and schedules included which contain information on Real Estate Taxes. The first graphic, Village Property Tax Levies and Tax Rates, shows Village tax levies and tax rates from 1998 - 2007. The schedule also lists equalized assessed valuation and the annual percentage change in the tax levies for the same period. The next schedule, Real Estate Tax Levies and Rate Comparisons, shows Village and Library Tax Rates and Tax Levies by purpose for 2005, 2006, and 2007. The next schedule shows the same information for the two Village Special Service Areas. The last graphic, Where Property Taxes Go, shows how property taxes are distributed to the various taxing bodies and the actual distribution of the 2005 property tax rate.

Number of Authorized Positions - This schedule shows the number of full-time, part-time, seasonal and full-time equivalent positions for 2005, 2006, and 2007.

Personal Services - The payment of wages and other compensation represent 47% of the operating budget. This schedule shows 2005 actual, 2006 budget and estimated amounts, budget amounts for 2007 and forecast amounts for 2008. The schedule organizes the personal service amounts by the type of Village Service provided.

Long-Term Debt - One graphic and two schedules are included. The graphic shows the relative speed of how outstanding debt issues will be paid. The first schedule shows the maturity dates, the original amounts issued and outstanding balances of current and proposed bond issues. The second schedule shows the Annual Principal Requirements for 2007 through 2010 and the balance of payments due from 2011 through 2022. This schedule classifies the various bond issues by the sources of revenue that will be used to fund the debt service payments.

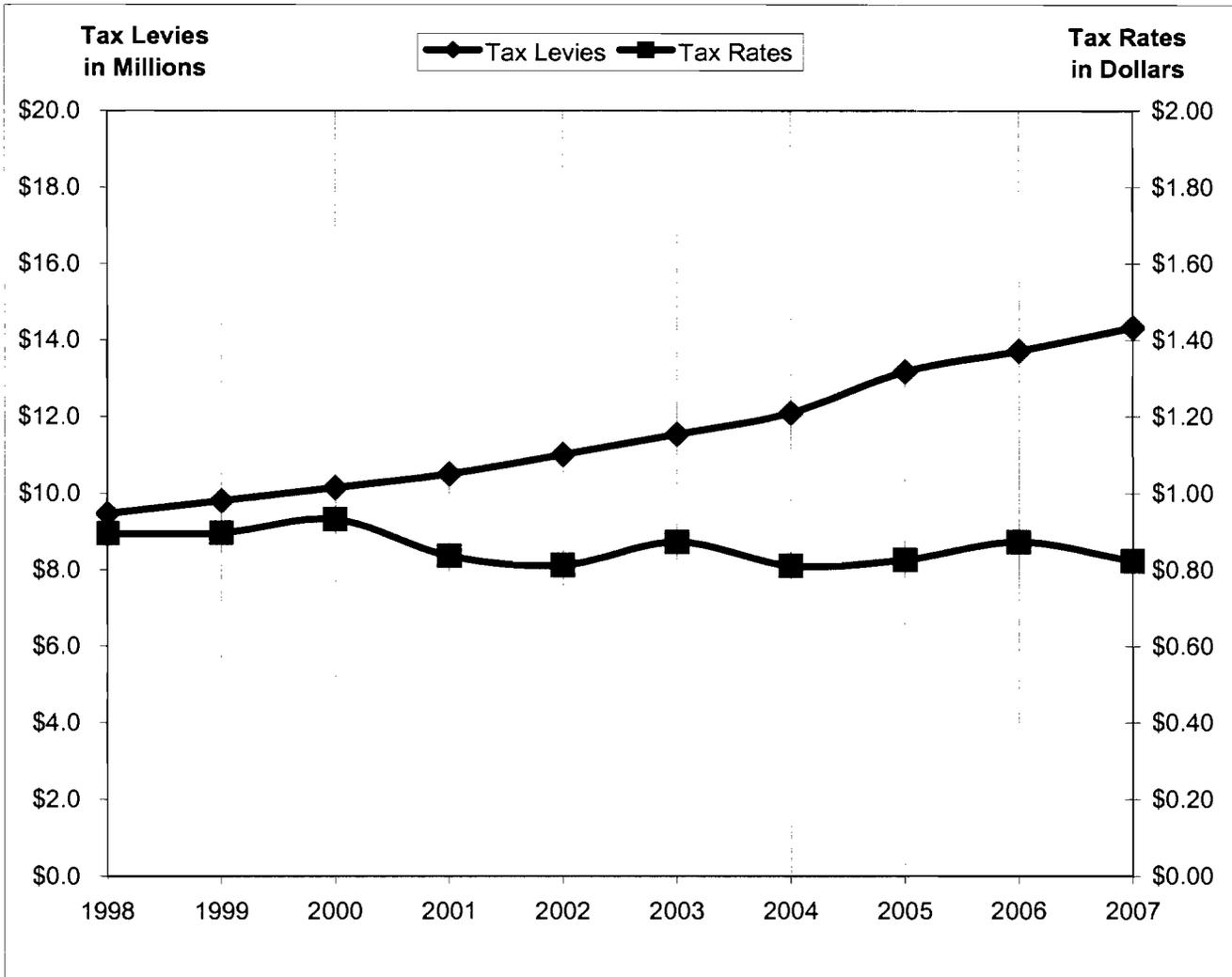
Cost of Municipal Services - Park Ridge Survey - This graph compares the Cost of Municipal Services Per Resident in Mount Prospect to the Average Cost Per Resident of all communities in the survey for the last ten years. Mount Prospect has consistently ranked near the bottom for this category. For the most recent survey, Mount Prospect was second lowest out of thirteen communities.

Village Profile - This schedule presents information about the Village of Mount Prospect and its facilities and services.

These schedules and graphics are included to help gain a better understanding of some of the trends and influences that affect the Village's current and future fiscal plans.



**VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
VILLAGE PROPERTY TAX LEVIES AND TAX RATES**



Year	Equalized Assessed Valuation	Village Extended Tax Levies	Annual % Change	Village Tax Rates
1998	1,058,023,690	9,472,169	3.5%	0.895
1999	1,093,616,836	9,803,695	3.5%	0.896
2000	1,089,103,983	10,146,824	3.5%	0.932
2001	1,255,360,556	10,501,972	3.5%	0.837
2002	1,355,301,118	11,010,747	4.8%	0.812
2003	1,321,886,943	11,539,755	4.8%	0.873
2004	1,491,117,145	12,093,915	4.8%	0.811
2005	1,594,975,722	13,175,689	8.9%	0.826
2006	1,572,327,067	13,716,933	4.1%	0.872
2007	1,741,037,761	14,327,775	4.5%	0.823

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
Real Estate and Special Service Area Tax Levies and Tax Rate Comparisons (1)

	2005 Tax Levy Actual		2006 Tax Levy Proposed		2007 Tax Levy Projected	
	Rate	Amount	Rate (2)	Amount	Rate (2)	Amount

Village Levies						
General Corporate	\$.4572	\$ 7,291,530	\$.4765	\$ 7,491,516	\$.4464	\$ 7,772,448
Garbage	.1221	1,947,965	.1276	2,006,404	.1187	2,066,597
G.O.Bonds	.0914	1,457,567	.0974	1,531,013	.0880	1,531,931
Police Pension	.0805	1,284,363	.0865	1,359,949	.0859	1,495,943
Fire Pension	.0749	1,194,264	.0845	1,328,051	.0839	1,460,856
Village Totals	\$.8261	\$13,175,689	\$.8725	\$13,716,933	\$.8229	\$14,327,775

Library Levies						
Operations	\$.3642	\$5,809,344	(4)		(4)	
Debt Service	.1009	1,608,821				
Library Totals	\$.4651	\$7,418,165	(4)		(4)	

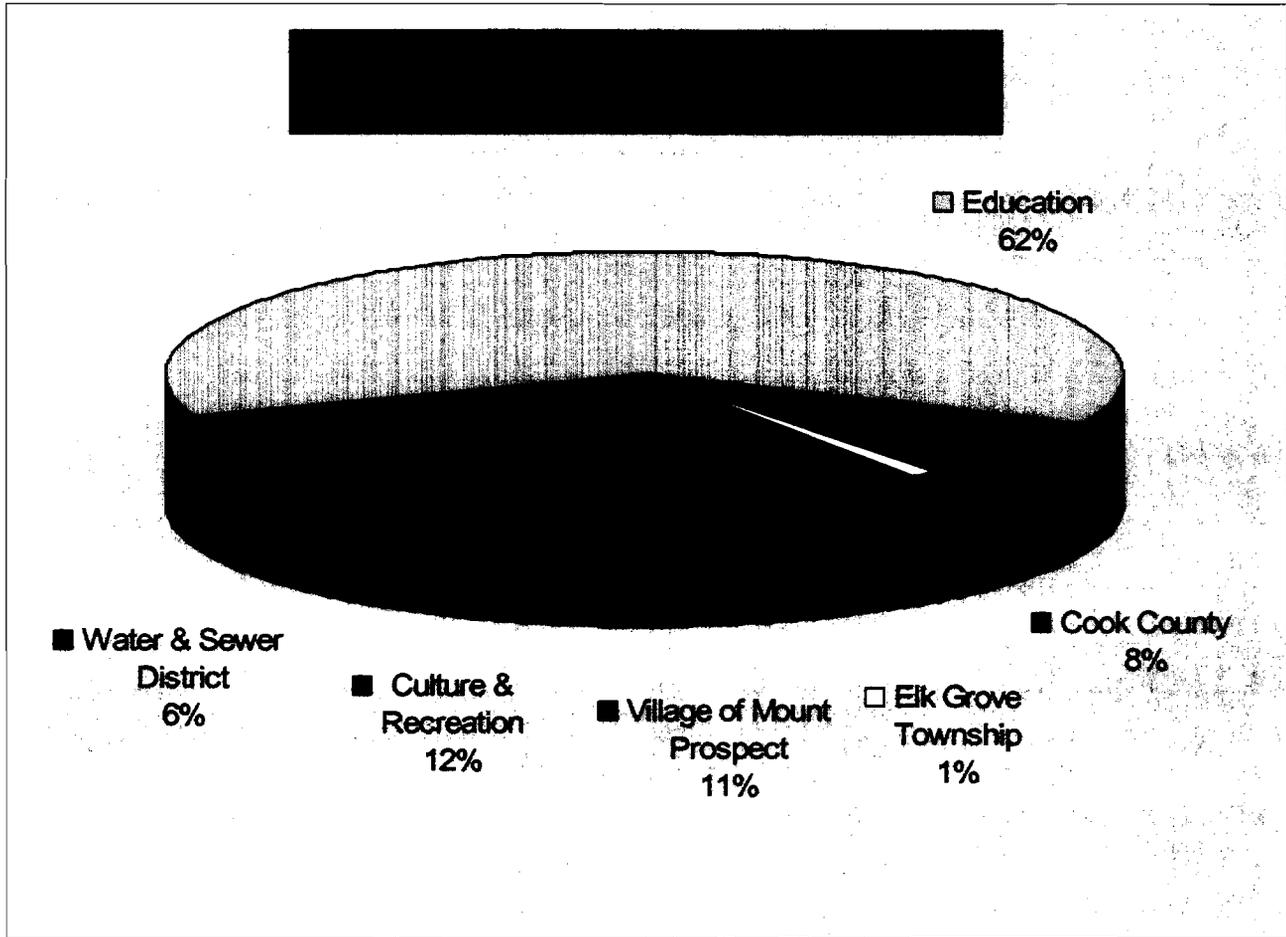
Totals - Village and Library	\$1.2912	\$20,593,854	\$.8725	\$13,716,933	\$.8229	\$14,327,775
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Equalized Assessed Valuation (3)	\$1,594,975,722	\$1,572,327,067	\$1,741,037,761
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Special Service Area No. 5 JAWA Water Agency	\$.1168	\$1,545,773	\$.1185	\$1,545,773	\$.1070	\$1,545,773
EAV (3)	\$1,323,547,780	\$1,304,753,401	\$1,444,753,441			

- (1) Tax rates per \$100 Equalized Assessed Valuation.
- (2) Tax rates are estimated.
- (3) Changes in Equalized Assessed Valuation are based on 10 year historical trends.
- (4) Not available as of the date of this report.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
DISTRIBUTION OF 2005 PROPERTY TAXES



DISTRIBUTION OF 2005 PROPERTY TAX RATE (1)

	<u>Tax Rate</u>	<u>%</u>		<u>Tax Rate</u>	<u>%</u>
Education:			Village:		
School District 57	\$ 2.643	35.1%	Mount Prospect	\$ 0.827	11.0%
High School District 214	\$ 1.759	23.3%			
Harper District 512	\$ 0.281	3.7%	Culture and Recreation		
	<u>\$ 4.683</u>	<u>62.1%</u>	M.P. Park District	\$ 0.459	6.1%
			M.P. Library	\$ 0.466	6.2%
Cook County:				<u>\$ 0.925</u>	<u>12.3%</u>
County Government	\$ 0.533	7.1%	Water & Sewer District		
Cook County Forest	\$ 0.060	0.8%	Water Reclamation	\$ 0.315	4.2%
Other	\$ 0.014	0.2%	SSA #5	\$ 0.117	1.5%
	<u>\$ 0.607</u>	<u>8.1%</u>		<u>\$ 0.432</u>	<u>5.7%</u>
Elk Grove Township	\$ 0.062	0.8%			
			TOTAL	<u>\$ 7.536</u>	<u>100.0%</u>

(1) Sample property located in the Village of Mount Prospect, Elk Grove Township, and School District #57. The tax rate is applied to each \$100 of Equalized Assessed Valuation.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
Number of Authorized Positions

	Full-Time Employees			Part-Time Employees			Seasonal Employees			Full-Time Equivalent		
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
Public Representation	0.15	0.15	0.15	7.00	7.00	7.00	-	-	-	.85	.85	.85
Village Administration												
Village Manager's Office	9.85	9.85	10.85	-	-	-	1.00	1.00	1.00	10.35	10.35	11.35
Television Services Division	2.00	2.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00	2.80	3.10	3.10
Village Clerk's Office	2.00	2.00	2.00	-	-	-	-	-	-	2.00	2.00	2.00
Finance Department	13.00	13.00	13.00	4.00	4.00	4.00	-	-	-	15.00	15.00	15.00
Totals	26.85	26.85	27.85	5.00	5.00	5.00	2.00	3.00	3.00	30.15	30.45	31.45
Community Development												
Community Development	20.00	19.95	22.00	1.00	1.00	1.00	2.00	2.00	2.00	20.90	20.90	22.90
Community Develop/CDBG	1.00	1.05	1.00	-	-	-	1.00	1.00	1.00	1.20	1.20	1.20
Totals	21.00	21.00	23.00	1.00	1.00	1.00	3.00	3.00	3.00	22.10	22.10	24.10
Human Services Department	7.00	7.00	7.00	1.00	1.00	1.00	2.00	2.00	2.00	7.60	7.60	7.60
Public Safety and Protection												
Police Department	103.50	108.50	109.50	2.00	2.00	2.00	5.00	5.00	5.00	105.50	110.50	111.50
Fire Department	80.00	83.00	83.00	-	-	-	21.00	21.00	21.00	80.70	83.70	83.70
Totals	183.50	191.50	192.50	2.00	2.00	2.00	26.00	26.00	26.00	186.20	194.20	195.20
Public Works Department												
Administration	3.00	3.00	3.00	0.70	0.70	0.70	-	-	-	3.35	3.35	3.35
Streets/Bldgs/Parking	13.10	13.10	13.10	1.00	1.00	1.00	5.00	5.00	6.00	14.60	14.60	14.80
Forestry	9.20	9.20	9.20	-	-	-	8.00	8.00	8.00	10.80	10.80	10.80
Engineering	7.10	7.10	7.10	1.00	1.00	1.00	2.00	4.00	4.00	7.90	8.30	8.30
Water/Sewer	23.40	23.40	23.40	2.70	2.70	2.70	5.00	4.00	7.00	25.75	25.55	26.15
Refuse Disposal	2.60	2.60	2.60	0.60	0.60	0.60	-	-	-	2.90	2.90	2.90
Vehicle Maintenance	8.00	8.00	8.00	1.00	1.00	1.00	3.00	2.00	2.00	9.10	8.90	8.90
Totals	66.40	66.40	66.40	7.00	7.00	7.00	23.00	23.00	27.00	74.40	74.40	75.20
Community and Civic Svcs	0.10	0.10	0.10	1.00	1.00	1.00	-	-	-	0.20	0.20	0.20
Village Totals	305.00	313.00	317.00	24.00	24.00	24.00	56.00	57.00	61.00	321.50	329.80	334.60

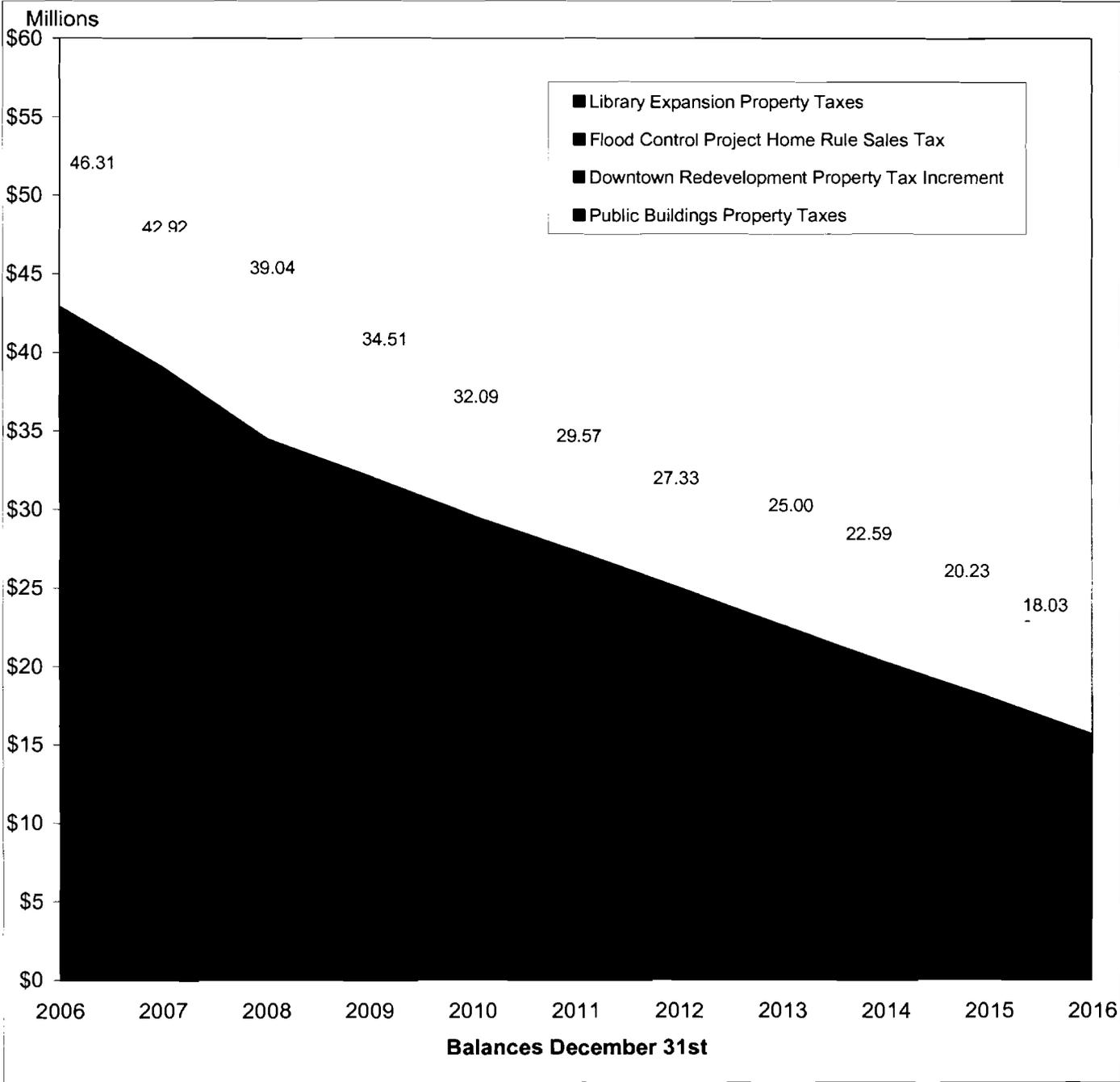
VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
PERSONAL SERVICES

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2008 Forecast
PUBLIC REPRESENTATION	34,713	35,077	35,077	35,466	35,860
VILLAGE ADMINISTRATION					
Village Manager's Office	734,431	796,864	800,564	898,539	915,650
Television Services Division	94,819	98,168	99,595	102,484	106,127
Village Clerk's Office	97,778	107,135	110,464	113,075	117,250
Finance Department	724,483	760,021	761,904	796,825	826,819
Totals	1,651,511	1,762,188	1,772,527	1,910,923	1,965,846
COMMUNITY DEVELOPMENT					
Community Development	1,057,166	1,135,033	1,136,383	1,255,645	1,302,797
Community Development/CDBG	44,435	47,545	48,745	52,004	53,955
Totals	1,101,601	1,182,578	1,185,128	1,307,649	1,356,752
HUMAN SERVICES DEPARTMENT	444,846	466,733	477,629	478,186	496,280
PUBLIC SAFETY & PROTECTION					
Police Department	7,491,947	8,182,686	8,177,212	8,592,849	8,897,951
Fire Department	6,268,007	6,579,098	6,581,149	6,790,559	7,092,238
Totals	13,759,954	14,761,784	14,758,361	15,383,408	15,990,189
PUBLIC WORKS DEPARTMENT					
Administration	228,939	237,711	239,989	237,193	245,748
Streets/Bldgs/Parking	1,161,275	1,092,076	1,080,448	1,108,580	1,149,480
Forestry	705,207	679,609	686,958	697,162	722,952
Engineering	541,764	586,406	600,934	622,116	656,173
Water/Sewer	1,716,145	1,751,202	1,736,111	1,783,337	1,839,926
Refuse Disposal	226,024	212,298	214,282	230,544	238,649
Vehicle Maintenance	631,777	681,460	683,001	695,541	743,510
Totals	5,211,131	5,240,762	5,241,723	5,374,473	5,596,438
COMMUNITY & CIVIC SERVICES	79,691	86,152	86,152	88,650	91,980
VILLAGE TOTALS	22,283,447	23,535,274	23,556,597	24,578,755	25,533,345



VILLAGE OF MOUNT PROSPECT
2007 BUDGET
LONG-TERM DEBT

PRINCIPAL AMOUNT OUTSTANDING



The graphic "Principal Amount Outstanding" shows the relative speed with which the Village is paying its outstanding debt. Total debt of \$42.9 million as of December 31, 2006 will be reduced to \$15.6 million by 2016. All current debt will be retired by the end of 2022.

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
LONG-TERM DEBT

Series	Purpose	Maturity Date	Amount Issued	Balance 1/01/07
General Obligation Bonds and Notes				
1987A	Public Works Facility	01/01/07	\$ 1,094,000	\$ 405,000
1998A	Street Improvements & Flood Control	12/01/07	2,915,000	65,000
1998C	Downtown Redevelopment	12/01/07	1,060,000	145,000
1999	Downtown Redevelopment	08/01/08	5,550,000	2,425,000
2000	Flood Control	12/01/08	2,165,000	1,595,000
2001	Village Hall/Parking Structure	12/01/21	5,000,000	4,115,000
2003	Village Hall	12/01/22	12,235,000	10,375,000
2004	7 South Emerson Installment Note	9/01/09	705,000	705,000
			30,724,000	19,830,000
Installment Contracts				
L 170744	Flood Control - Prospect Manor	05/01/14	3,695,354	1,688,102
L 170856	Flood Control - Fairview Gardens	07/12/13	558,474	243,265
L 170857	Flood Control - Hatlen Heights	12/10/14	1,711,671	837,797
L 170855	Flood Control - See Gwun/Milburn	11/01/17	1,203,550	756,300
L 171087	Flood Control - Maple/Berkshire	06/03/19	1,760,422	1,234,684
			8,929,471	4,760,148
TOTAL - CURRENT DEBT - VILLAGE			39,653,471	24,590,148
General Obligation Bonds - Library				
2002	Library Expansion	12/01/22	20,500,000	18,330,000
			20,500,000	18,330,000
TOTAL - VILLAGE AND LIBRARY			60,153,471	42,920,148

As a home rule municipality the Village does not have any legal debt margin.

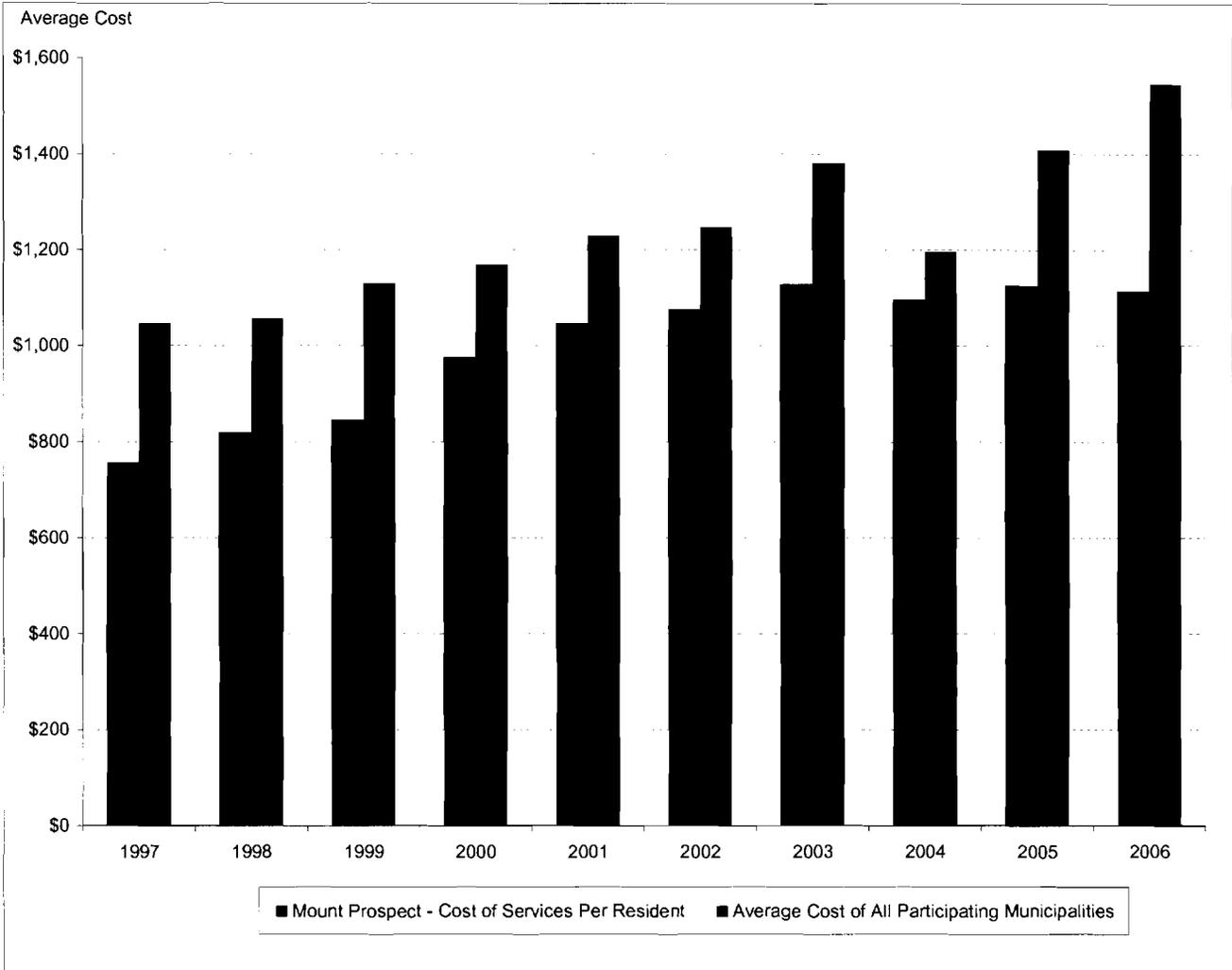
The Village's debt position including debt issued on behalf of the Library, is at a favorable level with total debt at \$763 per capita and debt to be paid from property taxes at \$265 per capita as of December 31, 2006. Moody's Investors Service has rated Village debt at Aa3. In Moody's latest credit report dated May 15, 2002 they stated that the Village's debt burden is moderate and the bond retirement rate of 61% in 10 years is above average.

Debt Service requirements for the next four years and all subsequent years for the outstanding and proposed debt issues are identified on the next page.

**VILLAGE OF MOUNT PROSPECT
LONG-TERM DEBT
ANNUAL PRINCIPAL REQUIREMENTS**

	2007	2008	2009	2010	2011- 2022	Totals
Debt To Be Paid From Property Taxes						
General Obligation Bonds						
Series 1987A - Public Works Facility	405,000	-	-	-	-	405,000
Series 2001 - Village Hall	200,000	210,000	215,000	225,000	3,265,000	4,115,000
Series 2003 - Village Hall	480,000	495,000	510,000	530,000	8,360,000	10,375,000
Total	1,085,000	705,000	725,000	755,000	11,625,000	14,895,000
Debt To Be Paid From Property Tax Increment						
General Obligation Bonds						
Series 1998C, Taxable	145,000	-	-	-	-	145,000
Series 1999, Taxable	770,000	1,655,000	-	-	-	2,425,000
7 S. Emerson Installment Note	-	350,000	355,000	-	-	705,000
Total	915,000	2,005,000	355,000	-	-	3,275,000
Debt To Be Paid From Home Rule Sales Tax (1st Quarter Percent)						
General Obligation Bonds						
Series 1998A	65,000	-	-	-	-	65,000
Series 2000	645,000	950,000	-	-	-	1,595,000
Subtotal	710,000	950,000	-	-	-	1,660,000
Installment Contracts						
IEPA Loan #1	92,925	96,074	99,329	102,695	446,774	837,797
IEPA Loan #2	31,376	32,440	33,539	34,675	111,235	243,265
IEPA Loan #3	201,464	208,290	215,347	222,644	840,357	1,688,102
IEPA Loan #4	59,321	61,048	62,825	64,654	508,452	756,300
IEPA Loan #5	84,647	86,884	89,179	91,536	882,438	1,234,684
Subtotal	469,733	484,736	500,219	516,204	2,789,256	4,760,148
Total	1,179,733	1,434,736	500,219	516,204	2,789,256	6,420,148
TOTAL VILLAGE DEBT SERVICE	3,179,733	4,144,736	1,580,219	1,271,204	14,414,256	24,590,148
Debt To Be Paid By Mount Prospect Public Library						
General Obligation Bonds						
Series 2002 Library Bonds	700,000	730,000	850,000	890,000	15,160,000	18,330,000
Total	700,000	730,000	850,000	890,000	15,160,000	18,330,000
TOTAL DEBT SERVICE PAYMENTS	3,879,733	4,874,736	2,430,219	2,161,204	29,574,256	42,920,148

VILLAGE OF MOUNT PROSPECT
2007 BUDGET SUMMARY
COST OF MUNICIPAL SERVICES PER RESIDENT
CITY OF PARK RIDGE SURVEY



For the past nineteen years the City of Park Ridge, Illinois has conducted a survey of comparable municipalities to determine the cost of providing municipal services. Survey methodology includes adjusting each municipality's budget as necessary to include only the expenditures for similar basic services. Services included are police and fire protection, emergency ambulance service, street maintenance, human services, refuse disposal, water and sewer service, administrative services and library services. Services excluded are electric utilities, parks and recreation, grant projects, services performed outside the municipality, and sewage treatment. Also excluded are projects financed from bond proceeds, interfund transfers, payments to Internal Service Funds, and contingencies.

Currently there are thirteen communities, including Park Ridge, that participate in this survey: Arlington Heights, Des Plaines, Downers Grove, Mount Prospect, Naperville, Niles, Northbrook, Wilmette, Palatine, Glenview, Schaumburg, and Skokie. Since the survey's conception in 1983/84 there have been several other communities that have participated at one time or another. The participants have changed as the demographics of these communities have changed.

Mount Prospect's cost of municipal services per resident typically has been in the lower quartile of participating communities. For the 2006 survey, Mount Prospect had the second lowest per capita cost of municipal services.

**VILLAGE OF MOUNT PROSPECT
COST OF MUNICIPAL SERVICES PER RESIDENT
CITY OF PARK RIDGE SURVEY
JANUARY 2006**

Rank	Municipality	Adjusted	Population	Expenditures
		Budget (1)		Per Capita
1	Schaumburg (2)	178,950,047	75,386	2,374
2	Des Plaines	121,183,399	56,945	2,128
3	Glenview	82,314,935	44,042	1,869
4	Niles	55,179,681	30,063	1,835
5	Skokie	100,429,815	63,348	1,585
6	Wilmette	42,014,894	27,400	1,533
7	Arlington Heights	114,100,534	76,943	1,483
8	Downers Grove (2)	71,311,805	50,851	1,402
9	Naperville	179,336,551	137,987	1,300
10	Northbrook (2)	44,291,420	34,419	1,287
11	Park Ridge	43,344,900	37,775	1,147
12	Mount Prospect	62,670,787	56,265	1,114
13	Palatine	68,643,088	65,920	1,041
MEAN		89,520,912	58,257	1,1546

Source – City of Park Ridge

- (1) Adjusted budget includes total Municipal Budget including MFT, Library, Garbage and excluding Park District, Electric Utility, Sanitary Districts, Community Development Block Grants, Bus Service, Flood Control Proceeds, Cemeteries and Golf Courses.
- (2) The budget has been increased for these municipalities for the amount paid by all households for scavenger service.

VILLAGE OF MOUNT PROSPECT

2007 BUDGET SUMMARY

VILLAGE PROFILE

The Village of Mount Prospect was incorporated in 1917 and operates under the Board/Manager form of government. It is a home rule community as defined by the Illinois Constitution. Mount Prospect is located approximately fifteen miles northwest of the City of Chicago in Cook County with a land area of 10.3 square miles.

The Village grew slowly from 1917 to 1950 with the 1950 population totaling 4,009. By 1960, the Village's population had increased to 18,905, then almost doubling to 34,995 at the 1970 Census and leveling off at 53,168 at the 1990 Census. The 2000 Census figure is 56,265. The Village's most notable characteristics are its residential streets which are shaded by more than 19,000 parkway trees, outstanding schools and parks, Randhurst Mall Shopping Center, the first under-one-roof retail complex of its kind, and the more recently developed Kensington Center for Business which consists of 300 acres of quality industrial and office buildings in a spacious park-like environment.

VILLAGE FACILITIES AND SERVICES

Number of Full-Time Employees	317
Number of Part-Time Employees	24
Miles of Streets & Roads	165
Number of Permits Issued in 2005	3,216
Value of Construction in 2005	\$52,612,965
Fire Protection	
Number of Firefighters	72
Number of Stations	3
Number of Fire Hydrants	2,200
I.S.O. Rating	Class 2
Police Protection	
Number of Police Officers	86
Number of Crossing Guards	5
Number of Police Stations	1
Library Services	
Number of Libraries	1
Number of Books	360,078
Number of Registered Borrowers	47,871
Municipal Water Utility	
Average Daily Gallons Billed	4,285,512
Miles of Water Mains	162.79
Number of Metered Accounts	11,735
Elections	
Number of Registered Voters	27,545
Number of Votes Cast in Last Municipal Election	6,563
Percentage of Registered Voters Voting in Last Municipal Election	23.83%

SOCIOECONOMIC INFORMATION

Median Home Value	\$217,700
Number of Single Family Homes	12,382
Percent of Homes Valued:	
Under \$50,000	0.4%
\$50,000 - \$99,999	2.0%
\$100,000 - \$149,999	7.0%
\$150,000 - \$199,999	29.6%
\$200,000 or more	<u>61.0%</u>
Total	<u>100.0%</u>
Median Family Income	\$67,262
Median Household Income	\$57,165
Per Capita Income	\$26,464

Employed Persons by Occupational Category

<u>Occupational Category</u>	<u>Number</u>	<u>Percent of Total</u>
Management, Professional and Related Occupations	11,661	39.4%
Sales and Office Occupations	9,281	31.3%
Production, Transportation, and Material Moving Occupations	3,834	12.9%
Service Occupations	3,083	10.4%
Construction, Extraction and Maintenance Occupations	1,740	5.9%
Farming, Fishing and Forestry Occupations	<u>18</u>	<u>0.1%</u>
Total	<u>29,617</u>	<u>100.0%</u>

Employed Persons by Industry

<u>Industry</u>	<u>Number</u>	<u>Percent of Total</u>
Manufacturing	5,254	17.8%
Educational, Health and Social Services	4,440	15.1%
Professional, Scientific, Management, Administrative and Waste Management Services	3,645	12.3%
Retail Trade	3,493	11.8%
Finance, Insurance, Real Estate and Rental and Leasing	2,672	9.0%
Arts, Entertainment, Recreation, Accommodation and Food Service	2,055	6.9%
Transportation and Warehousing, and Utilities	1,932	6.5%
Wholesale Trade	1,689	5.7%
Construction	1,347	4.5%
Other Services (Except Public Administration)	1,214	4.1%
Information	1,192	4.0%
Public Administration	663	2.2%
Agriculture, Forestry, Fishing and Hunting, and Mining	<u>21</u>	<u>0.1%</u>
	<u>29,617</u>	<u>100.0%</u>

Source: 2000 Federal Census