



Creative Financing Tools Idea Composite



Idea Composite Title: Privatizing Services

Challenge Faced: Small staff; keep health and liability insurance costs down

Creative Approach or Financing Tool: Use Lake Forest for building inspections and plan reviews; Deerfield for Police dispatch; Highland Park for water; Private vendors for public work related projects.

Outcomes:

1. Less staff issues; less salary; fewer pensions; less insurance costs.
2. Vendors can be replaced easily if don't do a good job.
3. Vendors are competitive with pricing (bids 30 – 50 less than last year)

Entity Name: Bannockburn

Contact Name: Maria Lasday

Phone Number: 847-945-6080

Email Address: mlasday@villageofbannockburn.org

Idea Composite Title: Water Savings

Challenge Faced: Water infrastructure aging and water loss

Creative Approach or Financing Tool: 1) water meter replacements 1 upgrades; 2) water rates increased with a tiered rating system (more water used, more cost per cubic gallon used; extra revenues to go toward projects).

Outcomes:

1. Less water loss
2. Water preservation; less consumption
3. Easier on staff to do water readings

Entity Name: Bannockburn

Contact Name: Maria Lasday

Phone Number: 847-945-6080

Email Address: mlasday@villageofbannockburn.org

Idea Composite Title: Neighborly Cooperation

Challenge Faced: High cost for capital projects

Creative Approach or Financing Tool: Go out to bid with neighboring communities for road projects.

Outcomes:

1. Less costs, contractors give more
2. Aggressive pricing
- 3.

Entity Name: Bannockburn

Contact Name: Maria Lasday

Phone Number: 847-945-6080

Email Address: mlasday@villageofbannockburn.org

Idea Composite Title: Non-home rule limitation on service contract term

Challenge Faced: Gilberts sought a multiyear contract for phone service. The desired price was only available on multiyear agreement but the Village of Gilberts couldn't commit because of non-home rule limitation on contracts not extended past the Village Presidents term.

Creative Approach or Financing Tool: Village of Gilberts approached the Village of Hampshire for an intergovernmental agreement for phone services which allows both non-home rules to contract together with Phone Company for multiyear term extended beyond the end of both Village President's terms.

Outcomes:

1. Secured multiyear discounted phone service contract
2. Extended preferable price to a neighboring community
- 3.

Entity Name: Village of Gilberts

Contact Name: Ray Keller

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Idea Composite Title: Storm water utility fee

Challenge Faced: Identifying sources to fund capitol and maintenance costs related to storm water management.

Creative Approach or Financing Tool: Implementing a storm water maintenance fee

Outcomes:

1. Allow capital storm water projects to move forward
2. Frees up general fund revenue for other capital maintenance project alternative
3. Allocates cost based on impervious surface, encouraging consideration of Green initiatives.

Entity Name: Bensenville

Contact Name: Denise Pieroni

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Email Address: dpieroni@bensenville.il.us

Idea Composite Title: Amnesty Program

Challenge Faced: Reserve shortfall

Creative Approach or Financing Tool: Increase opportunity for the recovery of revenues that may not otherwise ever be collected.

Outcomes:

1. Increased revenue
2. Increased compliance
- 3.

Entity Name: Bensenville

Contact Name: Denise Pieroni

Phone Number: 630-350-3400

Email Address: dpieroni@bensenville.il.us

Idea Composite Title: Voluntary Separation Incentive

Challenge Faced: Salaries and benefits ensure 60-70% of operating expenses and revenues decreasing.

Creative Approach or Financing Tool: Offering 1 week for every 2 years of service plus 60 months of health insurance at 25% employee cost.

Outcomes:

1. Seven individuals took VIP
2. Cost savings approximately \$4 million over 5 years
3. None required replacements -- vacancies not being filled
4. Utilized individuals on hand to fill employee absence

Entity Name: New Lenox

Contact Name: Kim Auchstetter

Phone Number: 815-462-6411

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Idea Composite Title: Outsourcing engineer department out to commercial developments

Challenge Faced: Engineering Department is not busy and could face layoffs. Commercial project was starting up where it needed inspection consultants.

Creative Approach or Financing Tool: Suggested using village engineers to provide road inspection work instead of having commercial developer hire this out to another firm.

Outcomes:

1. Revenue source for village to cover salary and benefits
2. Keeping employees busy during slow times
- 3.

Entity Name: New Lenox

Contact Name: Kim Auchstetter

Phone Number: 815-462-6411

Email Address: kauchstetter@newlenox.net

Idea Composite Title: Natural Gas Use Tax (GUT)

Challenge Faced: Municipality had a municipal use tax which tax 5% on gross sales for in state gas users with deregulation, commercial and industrial went mainly to out of state providers and municipality lost revenue.

Creative Approach or Financing Tool: Add a GUT that charges 4.5 cents on the out of state purchases to make municipality whole

Outcomes:

1. Nicor very flexible to work with
2. Anticipating \$430k in first year for revenue
3. Palatable to Board since it was an equity issue

Entity Name: Village of Glenview

Contact Name: Molly Talkington

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Idea Composite Title: Cost Sharing Under Grounding Electric Utility Lines

Challenge Faced: ComEd proposed to put new overhead utility lines in Cantera – a mixed use development where the city prohibits overhead utilities. ComEd is not subject to city code - \$350,000 to keep lines underground.

Creative Approach or Financing Tool: City is working with Cantera Corporate entities to development partnership agreement. City to front money, businesses will contribute up to 75% of costs over 5 years.

Outcomes:

1. Ongoing
- 2.
- 3.

Entity Name: City of Warrenville

Contact Name: John Coakley

Phone Number: 630-393-9427

Email Address: jcoakley@warrenville.il.us

Idea Composite Title: Utility Burial

Challenge Faced: New lines – overhead least cost with ComEd

Creative Approach or Financing Tool: Approach neighboring businesses to underwrite costs for burial

Outcomes:

1. Avoided cost
2. Improved appearance
- 3.

Entity Name: City of Warrenville

Contact Name: John Coakley
Phone Number: 630-393-9427
Email Address: jcoakley@warrenville.il.us

Idea Composite Title: Accelerated Retirement Opt

Challenge Faced: Create vacancy savings

Creative Approach or Financing Tool:

Outcomes:

1. 110 Employees opted to take
2. Held 86 vacancies
3. 26 Part time vacancies

Entity Name: Lake County

Contact Name: Barry Burton
Phone Number: 847-377-2228
Email Address: bburton@lakecountyil.gov

Idea Composite Title: Borrow from Fund Balance

Challenge Faced: Have a bond document – ordinance establish interest rate and payment schedule

Creative Approach or Financing Tool: Borrow from General Fund or Water Fund

Outcomes:

1. Better interest for Water Fund
2. Less cost for General Fund
- 3.

Entity Name: Village of Carol Stream

Contact Name: Joseph Breinig
Phone Number: 630-870-6250
Email Address: administration@carolstream.org

Idea Composite Title: Overweight Vehicle

Challenge Faced: Make it a compliance ticket so village gets money

Creative Approach or Financing Tool:

Outcomes:

- 1.
- 2.
- 3.

Entity Name: Village of Carol Stream

Contact Name: Joseph Breinig
Phone Number: 630-870-6250
Email Address: administration@carolstream.org

Idea Composite Title: Direct Connect Radio

Challenge Faced: Wireless Radio Alarm Network – Elmhurst APT compete with Fire Department.

Creative Approach or Financing Tool: Put radios in direct connect, 450 Radios, \$700,000 at 5 year pay back, Surplus of \$120,000, commercial radio, vendor do install.

Outcomes:

1. Reliable
2. Less false alarm
3. Charge \$85, \$130 paid, commercial only
4. Ordinance require direct connect to dispatch

Entity Name: Village of Elmhurst

Contact Name: Tom Borchert

Phone Number: 630-530-3010

Email Address: tom.borchert@elmhurst.org

Idea Composite Title: Tow Charge

Challenge Faced: Offset cost

Creative Approach or Financing Tool: Administrative tow ordinance charge on the bad behavior – crime cases get on a list – tow licenses – tow company collects \$200 -\$500. Tow Company pays \$1,000 application.

Outcomes:

1. Revenue generators
2. People were paying tow agency anyway
- 3.

Entity Name: Village of Montgomery/Elmhurst

Contact Name: Tom Borchert

Phone Number: 630-530-3010

Email Address: tom.borchert@elmhurst.org

Idea Composite Title: Administrative Tow Ordinance

Challenge Faced: Recovery of costs for significant crime

Creative Approach or Financing Tool: 1) Have tow company collect the fee 2) License fee for tow company

Outcomes:

1. Additional revenue
2. Recovery of costs
- 3.

Entity Name: Elmhurst/Montgomery

Contact Name: Tom Borchert/Anne ManGura

Phone Number: 630-530-3010

Email Address: tom.borchert@elmhurst.org

Idea Composite Title:

Challenge Faced: Valuation of franchise agreements are inequitable with Nicors value generally significantly less than ComEd.

Creative Approach or Financing Tool: Depart from population based valuation and move to right of way value as base. 10 cents/ft of ROW.

Outcomes:

1. Equity between utility franchise value
2. Increased value in cash from Nicor
- 3.

Entity Name:

Contact Name:

Phone Number:

Email Address:

Idea Composite Title: Fee Swaps

Challenge Faced: Reduced building fees and lack of participation for certain fees.

Creative Approach or Financing Tool: Amended the total fee structure to diagnose what fees resulted in meaningful revenue sources and which ones needed adjustment in order to recover some fees.

Outcomes:

1. Adopted some zero fees for worthless revenue generators
2. Increased cost of items such as towing and overweight vehicles in order to recoup some of the related staffing effort and capitol costs.
- 3.

Entity Name: Village of Coal City

Contact Name: Matt Fritz

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Idea Composite Title: Shared Services

Challenge Faced: Tight revenues – i.e. Park Department and Cost of Animal Control

Creative Approach or Financing Tool: 1) Shared services 2) Have a neighboring district run their parks – not done

Outcomes:

1. Cost Savings
2. Increased efficiencies
- 3.

Entity Name: Villa Park/Wilmette

Contact Name: Eric Dubrowski/Kathleen Gargano

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Idea Composite Title: Degradation Fee

Challenge Faced: Paying for road programs through operating resources and having contractors pay for the damage to the road and its life expectancy due to cuts.

Creative Approach or Financing Tool: Pavement Degradation fee

Outcomes:

1. Incentives reducing pavement openings
2. Raises road fund - \$180,000 over 3 years
3. Lessened reliance on bonds -
 \$71,829 - 2007
 \$67,601 - 2008
 \$40,000 - 2009 estimate
 \$179,530

Entity Name: Wilmette

Contact Name: Kathleen Gargano/Tim Frenzer

Phone Number: 847-853-7602

Email Address: garganok@wilmette.com

Idea Composite Title: Lower Borrowing Cost Bonds

Challenge Faced: Financing Projects

Creative Approach or Financing Tool: Build America Bonds and Recovery Zone Bonds

Outcomes:

1. Lower borrowing costs
- 2.
- 3.

Entity Name: Kathy Thomas Consulting LLC

Contact Name: Kathy Thomas

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Email Address: kt@kathythomas.net

Idea Composite Title: User Fees

Challenge Faced: Balancing budget with loss of major revenue generated by car dealer

Creative Approach or Financing Tool: Implement user fees and natural gas tax for instance telecommunications.

Outcomes:

1. Revenues for Projects
- 2.
- 3.

Entity Name: Countryside

Contact Name: Sharon Peterson

Phone Number: 708-485-2595

Email Address: speterson@countryside-il.org

Idea Composite Title: Outsource Services

Challenge Faced: Balancing Budget

Creative Approach or Financing Tool: Contract out services, i.e. custodial personnel

Outcomes:

1. Saved \$70,000/yr
- 2.
- 3.

Entity Name: Countryside

Contact Name: Sharon Peterson

Phone Number: 708-485-2595

Email Address: speterson@countryside-il.org

Idea Composite Title: Funding Placement

Challenge Faced: Revenues in general fund

Creative Approach or Financing Tool: Conduct audit and defer how much of administrative fees and other costs will be moved to the general fund.

Outcomes:

1. Add all revenue to general fund
- 2.
- 3.

Entity Name: S B Friedman & Co

Contact Name: Geoff Dickinson

Phone Number: 312-384-2404

Email Address: gdickinson@friedmanco.com

Idea Composite Title: Create Special Service Area

Challenge Faced: General Fund Shortfall

Creative Approach or Financing Tool: Implement SSA or Business District to allocate burden for services to taxpayers, or users, approved to citizens as a whole.

Outcomes:

1. Reduced General Funded Costs
2. Create more targeted services
3. Enhance levels of service

Entity Name: S B Friedman & Co

Contact Name: Geoff Dickinson

Phone Number: 312-384-2404

Email Address: gdickinson@friedmanco.com

Idea Composite Title: Funding Swap

Challenge Faced: TIF Audit to change for Administration

Creative Approach or Financing Tool: Review prior year expenses to charge TIF fund for administrative costs instead of paying out of general fund.

Outcomes:

1. Shifted money from restricted TIF fund to general fund
- 2.
- 3.

Entity Name: S B Friedman & Co

Contact Name: Geoff Dickinson

Phone Number: 312-384-2404

Email Address: gdickinson@friedmanco.com

Idea Composite Title: Recovery Zone Private Acting Bonds

Challenge Faced: Private development project started

Creative Approach or Financing Tool: Recovery Zone Private Activity Bonds developer's interest costs with Federal Government paying 50% of interest.

Outcomes:

1. TBD but could make project finally feasible.
- 2.
- 3.

Entity Name: S B Friedman & Co

Contact Name: Geoff Dickinson

Phone Number: 312-384-2404

Email Address: gdickinson@friedmanco.com

Idea Composite Title: Debt Restructuring

Challenge Faced: Debt Service structure paying above market interest rate

Creative Approach or Financing Tool: Evaluate any and all consolidation or restructuring opportunity to reduce rates and create overall savings.

Outcomes:

1. Unencumbered assets pledged by bonds
2. Reduce costs
3. Create Savings
4. Reduce schedule duration

Entity Name: Bensenville

Contact Name: Mike Cassady

Phone Number: 630-350-3420

Email Address: mcassady@bensenville.il.us

Idea Composite Title: Shared Services

Challenge Faced: Increasing emergency dispatching costs

Creative Approach or Financing Tool: Joint dispatching initiative. Evaluate shared services approach. Partnering with other jurisdictions

Outcomes:

1. Shared expenses reduce overall liability
2. Enhanced Technology/ Inter-operability
3. Regional approach desired by stakeholders
4. Improved emergency response

Entity Name: Bensenville

Contact Name: Mike Cassady

Phone Number: 630-350-3420

Email Address: mcassady@bensenville.il.us