

2011 STATE OF THE VILLAGE SPEECH

Over the past 2 ½ years, families and communities across the United States and in town, nations around the globe, have suffered the greatest financial hardships and challenges, uncertainty and instability that has been experienced in more than half a century. Home foreclosures and business failures and reductions in municipal revenues have occurred throughout the country. And while vigilance and careful decision-making continue to be the order of the day, I have tonight the great pleasure of reporting that La Grange Park has manifested itself as a bright spot on America's public landscape.

Over the same 2 ½ years, when our country has experienced financial decline, and rising domestic uncertainty, La Grange Park has achieved what it never has before – in its 119 year history: national recognition as one of the top 20 most stable housing markets in the entire United States.

What many areas throughout the country have yet to achieve, La Grange Park **HAS ACHIEVED**:

- Debt Reduction
- Agility in responding to financial constraints
- Smaller Government
- Consistent Services in the face of financial pressure
- Low home foreclosure rates
- Reduced Crime Rates
- And peaceful neighborhoods enjoyed by all.

A news writer recently described La Grange Park as “the Norman Rockwell Gem of Chicagoland that most families only dream of.” Not only do families stay in La Grange Park, but, like mine, they do so for generations.

My name is Jim Discipio, and I am honored to continue leading La Grange Park as your Village President. Tonight, in this “State of the Village” Address, I will review our Village government's achievements over the past year and report what plans and initiatives have been put into motion to mitigate future risks and challenges. I am joined this evening with fellow members of the Board. The Village is fortunate to have their leadership and guidance.

The past couple of years have been challenging for our community. Nonetheless it is with these challenges that I feel our greatest attribute shines through – our strength in community. And it has always been the secret to our success here in La Grange Park. We are a Village of residents who give back to the community in every way we can. Time and time again, it is our residents who have shown a willingness to give back and be a part of making this town a better place to live. It is with this spirit in mind that I give this address. It is important that our community is involved in its government; it is important that citizens understand its workings and be informed.

Over the years, we have done a great job in keeping our Village fiscally sound. Given the financial challenges as a result of the recession, the Village Board was forced to look at things differently. Tough decisions were made. Last year, we received about \$300,000 less in revenues than we did three years ago. For a Village our size, this reduction impacts us significantly and we must respond and make adjustments wherever possible to ensure financial stability for the future. The Village Board prioritized spending with “A Focus on Core Services” – We aligned those services citizens expect with what we can afford as we continue to keep our community safe and maintain our Village’s infrastructure.

Last year, “A Focus on Core Services” meant that major capital projects were postponed until we were financially capable of moving forward. We deferred street resurfacing for one year – a savings of \$474,000 which improved the financial condition of the Village General Fund. This deferment did not solve the financial problems we are experiencing, but it gave us the breathing room we needed while we identified additional cost savings measures to better position ourselves to address future needs. And while the Village made this shift to Core Services - residents understood and provided their support.

This year’s budget, maintains a focus on Core Services, but it reintroduces capital expenditures into the budget, understanding that we can only hold off repaving our streets for so long until it becomes an even greater cost down the road. This year’s budget for all funds totals \$12,843,149; these expenses are 24% more than the previous budget, due primarily to the addition of several capital projects, we will talk about those projects a little later.

A sustained focus on Core Services means that we are continuing cost containment measures of years’ past while continuing to implement new strategies that result in cost savings. The Village has reduced staffing where possible through attrition, but has incurred no layoffs. In the Public Works Department, two positions remain unfilled, and today we have three fewer positions in that department than we did five years ago. The Village delayed hiring additional personnel in the Fire Department. We eliminated one part-time position in the

Building Department and eliminated the part-time position of Emergency Management Coordinator, shifting that responsibility to the Fire Chief. Also in the Police Department, we have two vacancies which will go unfilled. In examining the functions of our departments, we are confident we can make these decisions without affecting vital service levels or the safety of our community.

It is also worth mentioning that our Police Department is conscientious of overtime costs. Last year, an article in the Suburban Life compared overtime costs in 23 area police departments and identified La Grange Park as having the lowest cost of annual overtime expenditures. Further, a recent service study conducted in concert with the Metropolitan Mayors Caucus reported that the operations for both our Police and Fire Departments are efficient and relatively low cost compared to other departments in the metropolitan area.

In March, the Village negotiated a new contract for paramedic and fire services where the first two years of the contract achieves a reduction in cost from what the Village has previously paid for such services. These savings are essential for a service-oriented agency where personnel costs are the bulk of the General Fund Budget. This year, the General Fund budget is \$7,384,602; a 4.3% increase over the previous year, primarily attributable to increases in personnel costs and insurance. The greatest portion of the general fund is attributable to Police Services – 50%, 19% to Fire Services, 15% to Public Works, 12% to Administration, and 4% is attributable to Building services.

With regard to services, the Village keeps a keen eye towards efficiency in delivery. The Village changed the process for leaf pickup and eliminated our reliance on our waste hauler, saving the Village \$35,000 annually. The Public Works Department also made changes to its snow plowing program where it cut its salt usage in half, and reduced plowing areas from three to two – with a combined total savings of \$20,000 annually. Did this impact services? I don't think so, the Blizzard of February 2011 was one of the worst in history – a true test and the Village received overwhelmingly positive reviews from our residents as well as from residents from neighboring towns. Our Public Works Department is second to none.

Also in Public Works, the employees have taken on more work in-house to save even more tax payer dollars. A good example of this was the \$10,000 grant funded tree planting program this year. The expense of paying a contractor \$150.00 to plant each tree has been eliminated saving \$15,000 now that the department plants all new trees in the village. As a result, the \$25,000 total combined expense of the tree program has been eliminated from the Village Budget. The Village now offers a 50/50 tree planting program to residents – with dozens of species to choose from to beautify the parkway – you select your choice tree and we will plant and maintain.

The Village will continue to be aggressive in seeking outside funding through grants to fund costly projects that would have otherwise been paid for by Village revenues. This year, the Village was fortunate to receive funding to repave one block of Blanchan and one block of Morgan, saving the taxpayers almost \$200,000. In the Police Department, we will equip five squads with in car video cameras, with a \$75,000 COPS grant from the Department of Justice. These video cameras will assist the department with police training and more protection for the officer on the street and protects the village from liability. This grant will also pay for additional laptops and radios for Police and Fire to increase interoperability with outside jurisdictions. This year, the Police Department purchased a new squad for its fleet with a Justice Assistance Grant, saving the Village \$21,000. The Justice Assistance Grant also awarded the Police Department over \$20,000 for Community Crime Prevention programs.

We are also the recipient of a \$150,000 FEMA Grant to replace a 30 year old generator that provides power to the Emergency Communications Center and various portions of the fire department. In the Fire Department, the Village obtained a \$100,000 zero interest loan from the state to fund a new ambulance – saving thousands of dollars in interest. The Village was also able to purchase new Self Contained Breathing Apparatus equipment, saving the Village about \$110,000. This same type of grant provided about \$20,000 worth of equipment to our Fire Department in 2010. Also, the Village just received word that it is the recipient of an \$8,500 grant to be used for a Thermal Imaging Camera.

In all, in less than two years, the Village will have received \$614, 500 in grant funds for various programs and equipment. We are still waiting to hear about the status of the \$600,000 grant from the state for the Public Works building.

In the coming months, staff will work with the Department of Commerce and Economic Opportunity to implement a grant worth \$18,000 to retrofit our Village Hall with energy efficient lighting. Not only will this measure save money in much needed improvements, but it will result in a substantial reduction in bulb replacement costs as well as a reduction in emissions – making our Cool Village Commission Proud. All these measures taken illustrate that the Village continuously monitors opportunities for saving tax payers dollars. The Village is also looking outside our organization for potential cost savings. Today's economic state has forced governments to look at saving money and doing things more efficiently, unlike ever before. Finally, and noteworthy, we are currently working formally with the Village's of La Grange and Western Springs to see how we can better collaborate and share public safety services, and operate more efficiently.

There are areas that don't lend itself to collaboration – and that is the paving of streets. The paving of local roadways is a significant capital expense and must be balanced with financial viability. This year we are doing roadwork beginning with the paving of two blocks of Beach Avenue and will break ground this week. This project is significant in that it will be all concrete pavement and curbs and it continues the work which began two years ago. Concrete is a smart choice financially, as it is only marginally more expensive than asphalt, but has a lifespan that is much longer – 50,60 years or more. The Village is also repaving one block of Blanchan and Morgan, that project is grant funded. We will continue to look for grant dollars to expand our street paving program, as current financial conditions dictate that paving streets is highly dependent on controlling expenditures and revenue performance.

Other capital projects include \$250,000 for sewer lining to extend the life of our existing sewer infrastructure, a proactive effort that can save substantial dollars in potential sewer replacement as a result of line failure. Finally, the Village Budget includes work to be completed at the Public Works facility. The Public Works facility budget includes \$450,000 in cumulative reserve, \$195,000 in the Water and Sewer Funds and state grant revenue in the amount of \$600,000. If the grant revenue does not materialize, the Village will not be in a financial position to move forward with partial reconstruction and will have to consider other options to address the structural deficiencies of the facility. The Village will be diligent in its balancing of the enormity of this project against any available federal or state grants in considering what improvements will be made.

The current budget does not propose any new revenue sources. However, the Village does anticipate some additional revenues. With the arrival of Family Video, we will see higher than anticipated amusement tax revenue. With the Fire Department's soon to be implemented Wireless Fire Alarm System, the Village could see an additional \$10-\$14 thousand per year to help offset the administrative costs of the monitoring program – all the while saving local businesses money with the new wireless technology. With the 2009 Illinois Capital Bill, the Village received additional Motor Fuel Tax dollars to help pay for local road improvements. To date we have received about \$114,000 over two installments.

As far as revenues are concerned - items such as vehicle license fees, permit fees, business license, utility taxes have not been increased in recent years. As a non-home rule municipality, the Village's ability to generate additional revenue is limited. Over the next year, the Village will review various fee levels to determine cause for any future increases that will contribute additional revenue to the Village.

I would like to take a moment to reflect on some of the recent achievements in our Village. In the Police Department, the Adopt-A-Cop youth crime prevention program is now in its 13th year and has received recognition from the County and has been featured in Law and Order Magazine - one of the premier law enforcement publications in the United States. Our residential foot patrol program continues to provide additional opportunities for residents to interact with uniformed officers, who are assigned as part of their regular duties an hour of foot patrol on each shift. In addition to the community relations aspects of the program, it also encourages officer fitness and saves more than one gallon of fuel, per vehicle, per patrol shift.

The Police Department historically has gauged the presence of crime in the community by focusing on what they term “The Big Three”. This refers to the number of reported incidents of burglary, theft, and criminal damage to property. In 2010, the community experienced a 28 percent decline in burglaries, from the previous year. Perhaps more impressive, is that last year, the combined total of burglary, theft and criminal damage to property offenses were 47% lower than they were in 1995 - 15 years ago. Given the current economic conditions, this is very commendable.

During the past year, all non-probationary La Grange Park police officers were certified as juvenile specialists. This means that at all times there is someone on duty to handle any juvenile cases requiring the legally mandated credentials outlined in the Illinois Compiled Statutes. LaGrange Park is one of only a handful of communities of similar size achieving this level of certification among its officers.

In focusing on the Public Works Department – as you know - The village was hit with a “Blizzard” early this year that was followed by the “Summer of Storms”. These extreme weather conditions created emergency situations that require the skill, ability and dedication of Public Works employees who provide the services necessary to overcome these difficult challenges. The Public Works department will continue to provide citizens the highest level of service, each day and especially during emergencies at the lowest cost possible.

In the Fire Department, we had 1,319 Ambulance responses and 632 Fire and Rescue responses during the last year – and 148 Fire Inspections conducted by our Fire Prevention personnel. Firefighters logged over 5,500 hours of training during the same period – an impressive but necessary achievement which better prepares these folks to respond to residents’ emergencies. We are very lucky to still be able to operate a paid-on-call fire department with the number of calls we respond to, and the current training requirements placed upon our personnel. It is even more amazing that all of our personnel, except for a couple of our full-time contract paramedics, all live within our Village. I want to make sure that the Village extends its appreciation to the folks – our residents - who continue to serve in this capacity.

As some of you know, in 2003, La Grange Park became the 13th municipality in IL to require fire sprinklers in all new homes. This fall, the 45th home will be built in La Grange Park protected by fire sprinklers. Earlier this year, Sisters of Saint Joseph completed the installation of fire sprinklers throughout all of the existing buildings on their complex. This several month project was the result of Village fire department staff working with facility representatives to get this accomplished. This has greatly improved the safety of occupants, and also of firefighters who respond to this complex.

The Village is acutely aware of the struggles facing the businesses today. I would like to talk about the Village's longstanding history of being a partner to the business community. Over the years, the Village has enjoyed partnerships with local businesses with special events and festivals as well as with crime prevention programs such as Adopt A Cop, National Night Out, and various Fire Prevention programs. The Village has also been an active supporting partner of the La Grange Park Business Association. We have a staff liaison assigned to the association and we support their endeavors – which continue to grow and be more successful, year after year. Most recently, the Association is the coordinator of the streetlight banner program, where businesses can sponsor the cost of a Shop Local banner and have their name and logo on the banner – and the Association will coordinate the printing, installation and maintenance. What a great opportunity for our local businesses to gain greater exposure in the community.

The Association is also the coordinator of the well attended Holiday in the Park event – a family oriented venue that brings community and local businesses together while sharing in the holiday spirit of giving. Last Holiday Season, the Village partnered with the Association for a Christmas Walk and Tree Lighting ceremony on 31st Street. It was well attended and was a way to reconnect with some of our longstanding local businesses. The plan is to host the event at an alternate location every other year – with it taking place at the Village Market this upcoming holiday season. I would like to thank the La Grange Park Business Association for their work and commitment to our Village.

Our Village is home to more than 110 businesses, including banks, retail stores, restaurants, professional offices, and service outlets. Over the last year, we saw some changes in the business landscape. The Village said goodbye to the Blockbuster store last April, but its place, we welcome Family Video. The Village is very fortunate for this recent turn of events. Not only was it difficult to see a longstanding business close down as a result of a corporate bankruptcy, but the Village stood to lose nearly \$16,000 in annual revenue from amusement tax. Family Video has a business model that was developed to withstand market competition; with low cost rentals and strong and personal customer service. In an era where one would think that advanced

technology renders the brick and mortar rental business obsolete, Family Video is growing because they know that the customer still values that personal touch and appreciates a business's community involvement. The Village thinks that Family Video is a perfect fit and we wish them the best and encourage residents to shop there for their family's entertainment.

La Grange Park also welcomed D'Dami Salon, on the lower level of the Village Market. The Village is happy to be home to this new salon that specializes in a wide variety of services. They also participate in giving back to the community - they raise money for charities, host cut-a-thons, "ladies night out", and more. I encourage residents to get to know this addition to our business community. Finally, the Village welcomes the Village Potters to the Village Market next door to Family Video. Their retail gallery features the work of member artists as well as pottery classes. They also offer the opportunity for experienced clay artists to rent shelf space and have access to studio facilities. The Village encourages interested residents to visit the shop to purchase goods as presents for the upcoming holiday season.

We have two commercial / business areas – Village Market and those along 31st Street. Since its initial development, The Village Market continues to be a major part of our business community and it's nice to see the recent beatification and marketing efforts that the management is undertaking. Along 31st Street, Ace Hardware and Jessup's are just two examples of businesses that have a longstanding presence and continue to set the pace in that area by undertaking improvements to their services and property. Our businesses are not only an integral part of this community by adding to our quality of life – but they are also part of the identity of La Grange Park. Speaking to our business community - we appreciate your willingness to do business here and your support of this great community over the years – we're glad you are here.

In 2009, the Village was fortunate to acquire property on Beach Avenue to construct a public parking lot for the businesses of 31st Street. We are happy to report that the Village has received seed money to begin this project. We anticipate that construction will begin in the early spring of next year. The public parking lot is funded through a \$100,000 grant from the State of Illinois and falls in line with the Village's long term goals for 31st street as well as supports and promotes the patronage of the businesses in the area.

The Village continues its work on strategies to promote businesses, economic development to revitalize the business areas in the community. In recent years, the Village has completed the necessary and critical foundation with the update to the Comprehensive Plan in 2006 and the rewrite of the Village's Zoning Code just this year. The new Code includes zoning districts that more accurately reflect the business and commercial areas in our Village, thus making the regulation and re-development of these areas less cumbersome. With this

now in place, the work begins with having a keen understanding of our business environment, understanding the needs of local businesses and residents, and promoting shop local to ensure a strong local economy. The newly created Commercial Revitalization Committee encourages you to be a part of this process. The Committee was created to assist and guide the Village's efforts in the furtherance of economic development in La Grange Park and is comprised of three Village Board Members and meets monthly to discuss ways to create a vibrant business community where the Village supports and encourages business retention and new business attraction.

One way that the Village works to ensure that businesses and households can succeed is by keeping property taxes as low as possible. Since 2006, the Village's tax rate has declined each year. In La Grange Park, if you own a home worth \$350,000 then you pay about \$800 per year for the Village's portion of the Property Taxes. The Village's portion is about 10% to 11% of your entire property tax bill. I would also like to make mention that the Village's Equalized Assessed Valuation has increased by over 20%, since 2005, increasing from \$355,400,683 to \$428,552,160. Preliminary estimates for 2010 are such that it will go up slightly, continuing the trend.

As many residents know, in December 2010, the Village was named to Forbes Magazine's list of America's 20 Most Stable Housing Markets. We were the only community in Illinois to achieve such a distinction. Forbes used data from Zillow.com on 93 million homes nationwide, identifying cities in which home values had appreciated for at least three consecutive quarters, the rate of home sales was healthy and Foreclosure rates were lower than the metro area. Looking locally, homes are still selling in our Village. Over the last 12 months, 112 homes have been purchased in our community. Also - there have been 931 Building Permits issued over the last year. Three (3) for New Homes, Fifteen (15) for New Home Additions, and Thirteen (13) for New Residential Garages. As residents reinvest in their homes, they are reinvesting in the community by adding to the quality of the housing market and beautification of our community.

Thus far, our Village has been fortunate with regard to foreclosure rates in this economy. As far as Cook County communities are concerned, RealtyTrac reports that La Grange Park has amongst the lowest rates in the county - a rate of 1 in every 1443 homes. No news of foreclosures is ever good news, but we and some of our surrounding communities are faring far better than the overall Cook County rate of 1 in every 408 homes - and our Village is fairing better than most DuPage, Kane, Lake and Will County communities. But - the impacts of the recession are not yet over- and foreclosure processes are currently congested everywhere throughout the nation right now - but comparatively we are doing well and I assure you we will keep a watchful eye on this trend.

With this address this evening – I am cautiously optimistic about our financial condition. We must continue to operate within our means. And - we must pursue ways we can continue to sustain. This financial downturn was a test – no doubt of our ability to be agile and respond. In order to endure and sustain – we must continue to think strategically and in the long term. We must continue to look at our budget with a critical eye to make sure that we have a broad and balanced revenue base. We must focus on strengthening the local economy so that we can be sustaining in the provision of quality services. And we must plan long-term for the infrastructure projects that will maintain the community over time. I am confident we can do this because we have strength in our community. Let me give you some examples as to how our residents have provided its strength and support to its Village.

#1: This spring, the Village – as well as all municipalities throughout the state - was in danger of losing its share of the state income tax – namely the Local Government Distributive Fund. This would have been financially devastating to our Village. We did a lot of things to make our voice heard – trustees went down to Springfield to lobby the legislators, trustees attended press conferences, and we reached out to rally the residents. What I think made the difference was that residents got involved – you wrote letters to the legislators – bringing attention to your presence – your voice. You rallied with your Village and made the difference – our portion of the income tax was preserved through the legislative session.

#2: Residents, also played a key role in another recent Village achievement – the passage of our new Zoning Code. This was a process that was three years in the making. We held three public hearings and received a good deal of input on the draft before it was finalized. Resident feedback was also important in the crafting of our new garbage hauling program. Last summer we implemented a garbage survey and the end result was a program that was based upon resident utilization and feedback from residents regarding what they had stated they wanted. And I think we have a better program because of your feedback.

#3: Resident input was vital to the creation of the Village’s Cool Village Commission. A group of residents came to the Village Board and stated that a more structured environmental program was needed for our community – and that they were willing to help out in the effort. We now have a hard-working commission that is in the midst of crafting a sustainability plan based upon data analysis of a carbon emissions study. This group has also initiated a number of valuable new programs – such as the E-Waste Collection Day (which will take place on October 22), CFL Distribution and the National Drug Take Back Event, which will take place on October 29.

#4: Resident feedback was critical to the Village’s charging the Engineering and Capital Projects Committee to evaluate and recommend flood mitigation options. This group of trustees has met on a regular basis since January to draft and evaluate Village Response Plans, Village Communication, resident response plans, and large scale engineering options. Because of the work done thus far, we now respond more quickly, in a more coordinated

fashion when flooding conditions are likely. Residents have provided input on flooding surveys and have provided information about how certain areas of the Village are impacted in heavy storms. The information that this committee has collected from resident input is critical in the identification of mitigation efforts that will be effective in the future. This committee will be submitting its report and recommendations shortly – and will be presenting its recommendations to the Village Board in the near future. I encourage you to go to the Village’s website to learn about the work this committee has completed thus far – as well as understand how resident input has made the difference in their work.

And finally #5: Most recently, I would like to make mention that over the summer, with the storms and resulting outages, resident feedback to Village Hall was critical in staff’s ability to have Com Ed respond to area outages. The phone calls and data provided by residents allowed staff to track progress on restoration when no other information was available.

To conclude, the State of the Village is such that we are moving forward with projects, programs and the planning of new ideas – we are doing so responsibly and optimistically. And we are doing so with the input from residents and local businesses. The Village is able to move forward because we have made tough budgetary decisions in recent years and residents have supported these tough decisions. The Village is in a much better position today because we were quick to respond to the changing financial environment by making adjustments in spending wherever possible – and by introducing innovative cost saving measures. We are fortunate to have a dedicated Board and Staff and residents to guide us in this process – and I extend my appreciation to all of you.

The Village Board will continue to be diligent with a long term strategy that looks to reduce costs, maintain the quality services our residents expect, while working to maintain the taxes as low as possible. While the Village has pared down to Core Services, we have the advantage of supportive residents, businesses, and community partners during this challenging time. I encourage each resident to stay involved with Village happenings by checking the Village’s website, reading your quarterly newsletter and by signing up for e-briefs and public safety briefs. I also encourage residents to shop, dine, and select services locally - our businesses need your support and it ensures the vibrancy of the community and the quality and continuation of services.

In closing, I would like to make mention that recently our Village was featured in the Chicago Tribune Home Section, highlighted as “A place where finders are keepers” and “a little town with a lot of appeal.” This article provides a snapshot of information to the readers - a true sense of La Grange Park. You will find information on our terrific schools, library, residents, businesses, parks – and a little history. There is a uniqueness about

our community which we can all be proud of. A sense of purpose, character, pride and value in community.
That is La Grange Park.