

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Capital improvements to be funded from new referendum bonds have been included in the 5 Year Plan. Capital improvement projects totaling \$33,551,560 are included in this year's capital budget. Highlights include:

- \$714,000 for general ongoing habitat restoration
- \$1.7 million for specific preserve habitat restoration
- \$5.1 million for Greenbelt Cultural Center expansion
- \$7.5 million to implement the Hastings Lake Master Plan
- \$3.2 million for the Fort Sheridan Preserve
- \$4.5 million for the Millennium Trail
- \$1.7 million for the Gilmer Road Crossing

STAFFING LEVELS

The FY 2009/10 budget includes staffing costs for 302.93 FTE. This is a decrease of 1.71 FTE and is comprised of 198 full-time positions and 382 part-time positions.

Lake County Forest Preserves Mission:

"To preserve a dynamic and unique system of natural and cultural resources, and to develop innovative educational, recreational and cultural opportunities of regional value, while exercising environmental and fiscal responsibility."

Budget-In-Brief Fiscal Year 2009-10



Lake County Forest Preserves

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General Offices
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BUDGET OVERVIEW

The Fiscal Year 2009/10 Annual Budget maintains the Lake County Forest Preserve District's strong financial position with sound reserves, long-term replacement funds and moderate debt. The budget provides for appropriate ongoing and preventative maintenance, public safety, and environmental management for our existing preserves. The budget provides an expenditure and revenue plan that meets the requirements of the 1991 Illinois Tax Limitation Act (Tax Cap).

The budget contains Operating expenditures of \$32.1 million, Debt Service of \$33.8 million, and Capital expenditures of \$81.7 million for a total of \$147.6 million. The overall Budget represents a 13% increase from the prior year budget of \$131 million, where Operating expenditures were \$31.1 million, Debt Service \$36.3 million and Capital expenditures \$63.5 million. The \$18.1 million increase in Capital expenditures is a result of the successful 2008 \$185 million referendum approved by a 66% majority. \$148 million is allocated toward land acquisition and \$37 million to capital improvements and habitat restoration.

Operating revenues increased from \$64.7 million to \$72.4 million. Last year's budget revenue reflected lower property taxes for debt service. With the successful referendum, retiring bonds will now be replaced. The tax rate is projected to remain flat at .199. The District's tax levy for 2009 is based on an overall increase of 1.00% in the County's Equalized Assessed Valuation (EAV).

GENERAL BUDGET COMMENTS

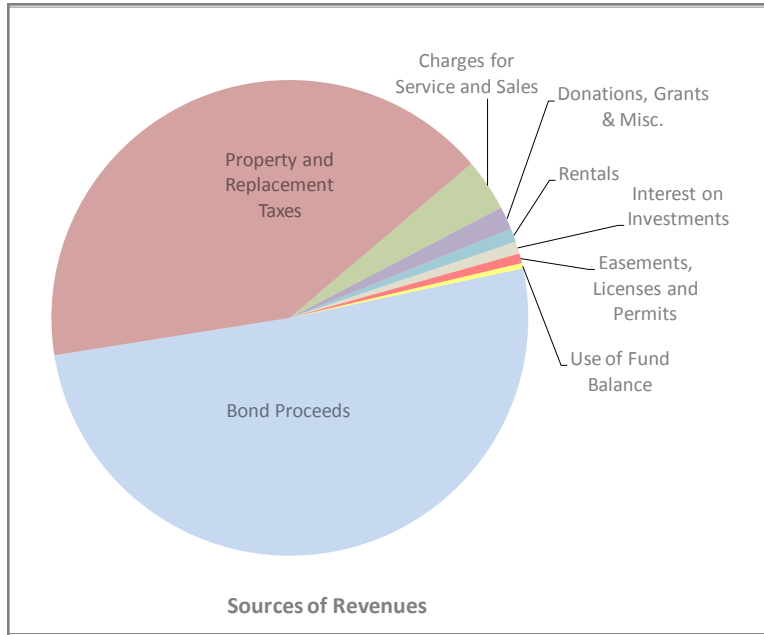
The downturn of the nation's economy is the primary short and long term concern. The Forest Preserve District's current financial condition remains in good shape due to conservative past practices at the Forest Preserve and our non-reliance on sales tax revenue. All organizations are facing challenges resulting from this downturn that must be dealt with over the near term. Lake County Forest Preserve is no exception. The District is facing several financial issues:

- A potential decline in the County's EAV could affect future property tax revenues.
- The District, along with other municipal employers, is required to increase contributions substantially to the Illinois Municipal Retirement Fund to make up for a significant investment shortfall experienced in 2008. The increased funding could last five to eight years.
- Being able to fund long term operation and public safety needs for expanding land holdings and capital improvements resulting from the 2008 voter approved referendum at a time when revenue growth may be stagnant.
- Addressing the office needs of the District.

Although the above issues affect the FY 2009/10 budget, future budgets could be even more stressed. No one can predict when this economic downturn will bottom out and a revitalized economy begins. To help us plan for changing conditions, the District has developed a 5 year financial forecast which will be updated as assumptions change.

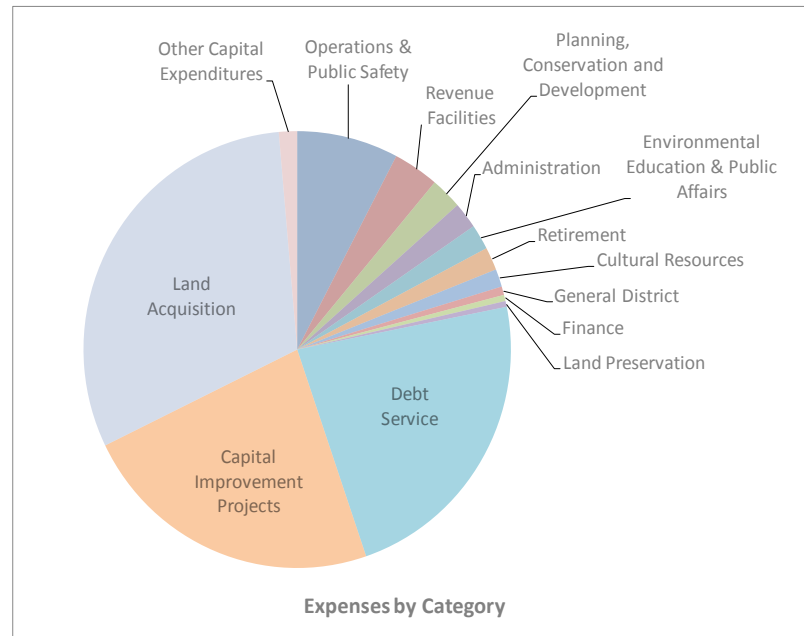
WHERE REVENUE DOLLARS COME FROM

Revenue Projections	Amount	%
Bond Proceeds	\$75,000,000	50.8%
Property and Replacement Taxes	60,931,720	41.3%
Charges for Service and Sales	5,253,840	3.6%
Donations, Grants & Miscellaneous	2,291,990	1.6%
Rentals	1,373,900	0.9%
Interest on Investments	1,221,550	0.8%
Easements, Licenses and Permits	972,500	0.7%
Use of Fund Balance	536,050	0.4%
Total Revenues	\$147,581,550	100%



HOW EACH DOLLAR IS SPENT

Expense Projections	Amount	%
Operations & Public Safety	\$11,338,970	35%
Revenue Facilities	5,091,270	16%
Planning, Conservation and Development	3,506,880	11%
Administration	2,887,880	9%
Environmental Education & Public Affairs	2,772,640	9%
Retirement	2,332,910	7%
Cultural Resources	1,952,560	6%
General District	903,580	3%
Finance	684,020	2%
Land Preservation	637,370	2%
Subtotal Operating Expenditures	\$32,108,080	100%
Debt Service	\$33,770,390	
Total Operating Expenditures	\$65,878,470	
Capital Improvement Projects	33,551,560	41%
Land Acquisition	45,680,000	56%
Other Capital Expenditures	2,471,520	3%
Total Capital Expenditures	\$81,703,080	100%
Total Expenditures	\$147,581,550	



**Fund Balance Summary
For Fiscal Year Ending June 30, 2010**

	Estimated Fund Balance 06/30/09	Revenues FY 2009/10	Transfers FY 2009/10	Operating Budget FY 2009/10	Capital Budget FY 2009/10	Estimated Fund Balance 06/30/10	Board Policy Fund Balance Goal 6/30/10
General Corporate	\$14,419,386	\$20,873,200	\$23,000	\$18,795,240	\$1,637,540	\$14,882,806	\$9,397,620
Insurance	2,164,360	1,263,850	0	1,425,920	100,000	1,902,290	1,500,000
Audit	689,080	6,000	0	109,670	0	585,410	N/A
Retirement - IMRF/FICA	1,561,353	1,872,650	0	2,332,910	0	1,101,093	900,000-1 mill
Land Development Levy	6,110,797	8,406,000	0	4,059,510	9,018,900	1,438,387	1,420,828
Farmland Management	62,190	198,370	0	260,500	0	60	N/A
Tree Replacement	13,834	150	0	0	13,830	154	N/A
Miscellaneous Special Revenue	1,702,642	23,300	0	34,780	150,000	1,541,162	N/A
Donations and Grants	1,334,356	1,204,050	(23,000)	227,360	939,250	1,348,796	N/A
Debt Service	17,993,401	31,879,660	(500,000)	33,046,030	0	16,327,031	N/A
Land Preservation	38,594,108	65,431,200	211,440	623,870	45,680,000	57,932,878	N/A
Easements & Special Projects	113,247	61,230	0	12,000	0	162,477	N/A
Land Preparation	101,272	39,800	0	1,500	5,000	134,572	N/A
Development Bond & Capital Projects	14,559,265	10,077,920	0	0	23,025,960	1,611,225	N/A
Capital Facilities Improvement	2,201,282	22,000	537,500	500,000	75,000	2,185,782	N/A
Enterprise	2,399,514	4,817,800	(248,940)	4,449,180	148,000	2,371,194	1,557,213
Vehicle Replacement	2,404,740	424,400	0	0	326,000	2,503,140	N/A
Information Technology Replacement	583,687	108,020	0	0	204,600	487,107	N/A
Equipment Replacement	1,236,877	335,900	0	0	379,000	1,193,777	N/A
TOTAL	\$108,245,391	\$147,045,500	\$0	\$65,878,470	\$81,703,080	\$107,709,341	

SHORT AND LONG TERM CONCERNS AND ISSUES

- With the passage of the \$185 million bond referendum in November, 2008, the people of Lake County reaffirmed their commitment to preserving and enhancing our open space resources.
- As the District continues to grow its land holdings while the EAV may be leveling off, the long term maintenance standards for our land holdings will need to be assessed on a yearly basis.
- As a result of the downturn in the economy, it is likely that residents will stay closer to home for their leisure time activities. The overall Forest Preserve system will be more heavily used.
- Estimated golf course revenues in 2008/09 were down approximately 7.1% from the projected budget. Based upon marketing studies this downward trend is expected to continue for the foreseeable future. In addition, the golf course operations at Brae Loch could be significantly affected if the Route 45 road construction takes place as planned in 2010.
- The determination of how the District will proceed with the Ft. Sheridan project will have ramifications towards staff/financial resources over the next fiscal year.
- During FY 2009/10 the District will be implementing new strategies regarding vehicle use throughout the District. Management staff also reduced costs in other areas of the District including a decrease in professional development, delaying or eliminating proposed staffing increases and new programs, increasing the replacement life of computers, delaying non-emergency stabilization projects and reducing fees and other contractuals.