



## STRATEGY NO. 4

### Commitment to Sound Financial Practices and Long-Range Financial Planning

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**Key Words:** Affordable. Cost-effective. Policy. Options. Plans. Analysis.

**Key Phrases:** What are our capital needs? Village board review of policies and needs. Potential for Home-Rule status. New revenue sources.

#### OUR VISION

The Village of Barrington has a proven history of excellent financial management and has received national recognition including:

- Bond Rating: AA+ (S&P) / Aa1 (Moody's)
- Certificate of Achievement for Financial Reporting from the Government Finance Officers Association (GFOA) for more than 30 years
- Distinguished Budget Presentation Award from GFOA for more than 10 years.

Barrington's claim to excellent financial stewardship extends to preparation and oversight of the annual budget, revenue management, execution and oversight of purchasing processes, bond financing and assisting all departments with their financial needs. As part of its commitment to be transparent, the village makes all key financial documents available to the public on-line or for in-person viewing.

*Vision - Standing in the future*, the Village of Barrington has continuously demonstrated the ability to control costs and find innovative ways to efficiently and effectively pay for municipal services.

Most importantly, Barrington's operating budget and capital plan have been funded in a manner that ensures the on-going delivery of municipal services.

#### OUR STRATEGY

##### Defining the Challenge:

While municipal revenues may be growing, the demands on these revenues, both in terms of operating and capital costs, appear to be growing even faster. These pressures are seen in both the General Fund (where most day-to-day operations are expended) and Enterprise Funds where utility expenses and revenues are captured.

Municipalities in Illinois continue to face legal restrictions and financial obligations in the form of state mandates. For example, based on an arbitrary population level (25,001 or more or a referendum) related to obtaining Home Rule status, the state of Illinois has handcuffed the village board in terms of exercising discretion over its operations. Further, the legislature of the state has a long history of creating new laws that place major financial obligations on Barrington and all local governments. Paying for state mandates (i.e., state created costs such as pensions) puts enormous pressure on the village's budget and raises many questions about how all essential government services will be paid for. This means that while the state places mandatory spending and regulatory requirements on Barrington, it also places unnecessary restrictions and limitations on how Barrington can balance its budget.



## GUIDING POLICY

As elected leaders in Barrington, we will continue to provide oversight and direction regarding village revenues and expenses. We will set policies that create optimal protection and use of public funds. As necessary and appropriate, we will consider if we should pursue Home Rule status and/or the types of revenue options and policies that may be available to us through a referendum. As responsible agents, we will continue to monitor the use of public funds and service levels, with particular interests in long-term capital needs.

## CREATING STRATEGIC ACTIONS

**As elected officials, we commit to** use resources, shape policies and make maneuvers that cause Barrington to have long-term financial strength.

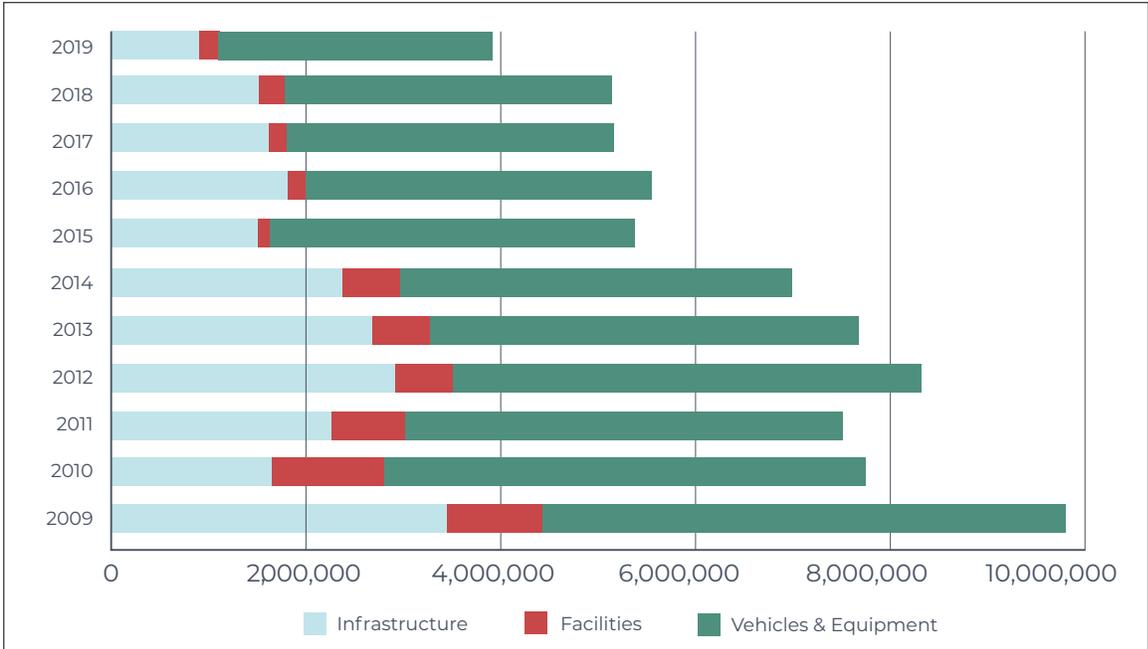
The scope of our intention includes:

1. **Continue to strengthen modern policies and practices to guide the use of public funds**
  - Investment policy.
  - Fund Reserve policy.
  - Create/Update Multi-year operating and capital plans.
  - Establish practices that continue the village's excellent bond rating and GFOA recognition.
2. **Lead Efforts to Achieve Efficiencies and Effectiveness Efforts**
  - Work with departments to assist in driving operational and capital costs down through use of technology and other innovations.
3. **Lead study/analysis of new sources of revenues and use**

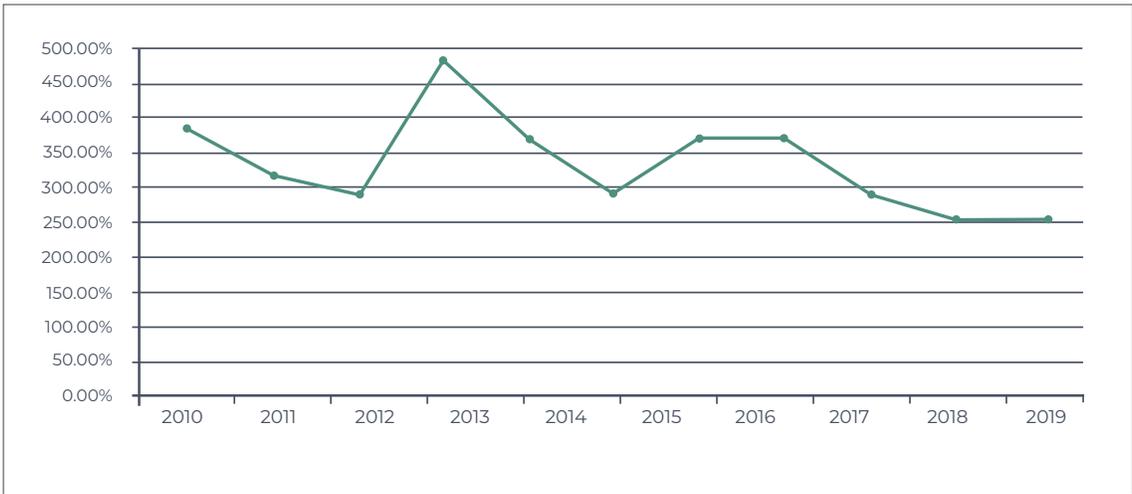


**RELEVANT DATA**

**Capital Reserve Balances, 2009-2019**



**Liquidity (Cash/Current Liabilities)**



**2021 - 2025 ACTION PLAN**

Staff will address the following:

- Develop and/or update policies that address the Village’s financial future.
- Incorporate the use of pro-forma modeling in decision-making.
- Present to the village board for discussion and decision-making key policies related to overall cash reserves, Fund balance, investments and capital improvement funding.

