



# FY 2021 Budget

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OCTOBER 28, 2020

# Budget Highlights

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- Maintains all Village services
  - Recognition of COVID-19 impact
- Minimizes the impact on taxpayers
  - Property tax levy increase reduced from projected 4.11% to 3.97%
  - Average stormwater utility fee increasing from \$144 to \$175
  - No other tax or fee increases
- Significant infrastructure investment
  - Full funding of infrastructure investment program to meet Village Board goals
  - \$21M+ for critical sewer improvements including Phase 2 of neighborhood storage project
  - \$400k+ investment to properly maintain the water plant

# Village Goals

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- Review and evaluate a Minority Business Enterprise (MBE) program
- Review Board of Fire and Police Commissioners job advertising and recruitment process to ensure diversity and inclusion strategies are implemented
- Provide technology tools that will improve employee and customer experience. This includes Office 365, building permit software and asset management
- Oversee the rewrite of the Village's Comprehensive Plan
- Continue oversight and management of the Village's infrastructure investment programs including the road program, Central Avenue Reconstruction and Phase 2 of the Neighborhood Storage Project

# 2021 Budget Methodology

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- Minimize impacts to taxpayers, service levels and the organization to the greatest extent possible
- Proactively identify a multi-step contingency plan to maintain flexibility to respond to dynamic economic conditions
- Continue regular financial reviews with the Village Board to ensure decision making is timely and effective

# Village Financial Position

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- Historical efforts have put Village in position to maintain flexibility and endure impacts of economic downturns
  - *Fortify reserve levels*
    - Focus on reducing recurring expenses through structural efficiencies and maintaining appropriate staffing levels
    - Prudent and conservative approach to revenue projections with goal of minimizing annual fee increases
  - *Balance debt and infrastructure investment*
    - Maintaining Aaa bond rating and commit to investment in critical infrastructure
  - *Methods to mitigate future pension payment*
    - Meet or exceed the actuarially required pension contributions and review of pension methodology

# 2021 Reserve Utilization

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- The Village's strong financial position allows for the utilization of reserves to mitigate impact
- \$1.90M projected draw on General Fund reserves
  - Planned spend down for public safety pensions and comprehensive plan
  - COVID-19 revenue impacts
  - Structural operating deficit
- Projected reserves will still exceed 30% target which provides time to thoughtfully address future operating deficits
  - Not factored into the budget is the likelihood of large non-recurring permits for previously approved developments



# COVID-19 Impact

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# COVID-19 Pandemic

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## **Wilmette Impact**

- \$0.82M total projected impact on general fund
- \$1.52M in projected revenues shortfalls
- \$700k in projected expense savings

## **Village Response**

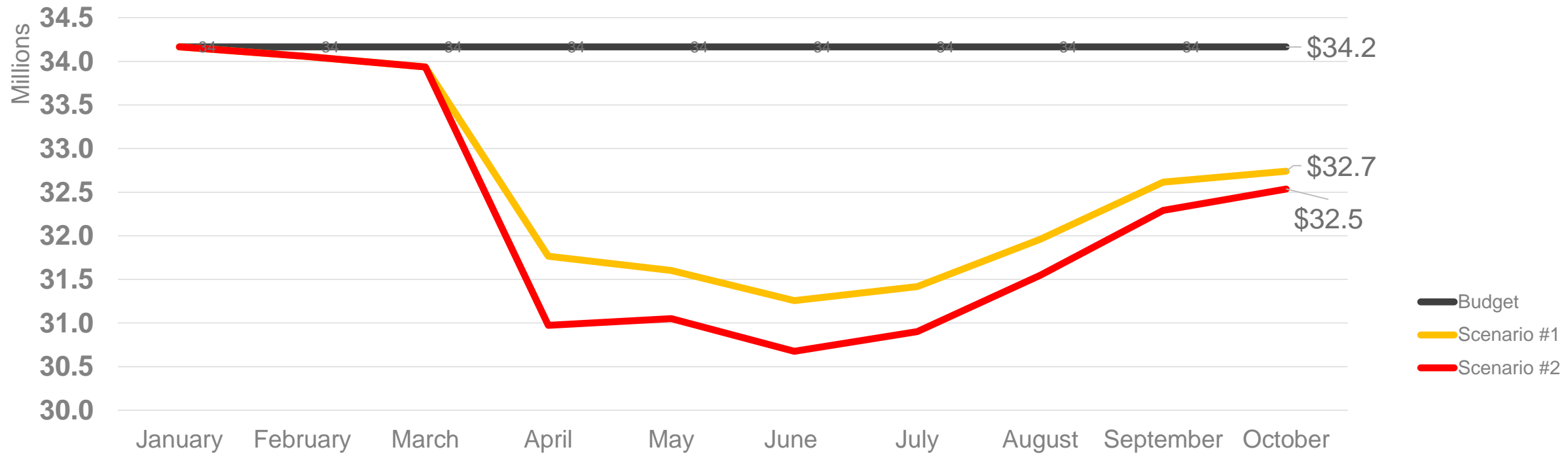
- Detailed monthly reviews of financials including projections
- Provide timely information to track performance and adjust operations
- Maintain service levels to residents as service demands increase

## **Future Issues**

- Potential resurgence of virus
- Long-term impacts on the national, state and local economy are still unknown
- Minimize impact to community, contingency plan and continue regular financial reviews



# Revenue Outcomes



	April Model	May Model	June Model	July Model	Aug Model	Sept Model	Oct Model	Change
<b>Budget</b>	<b>34.17M</b>	<b>34.17M</b>	<b>34.17M</b>	<b>34.17 M</b>	<b>34.17M</b>	<b>34.17M</b>	<b>34.17M</b>	<b>-</b>
Scenario #1	31.76M	31.60M	31.26M	31.42 M	31.96M	32.62M	32.74M	0.12M
Scenario #2	30.97M	31.05M	30.68M	30.90 M	31.55M	32.29M	32.53M	0.24M

# Expense Updates

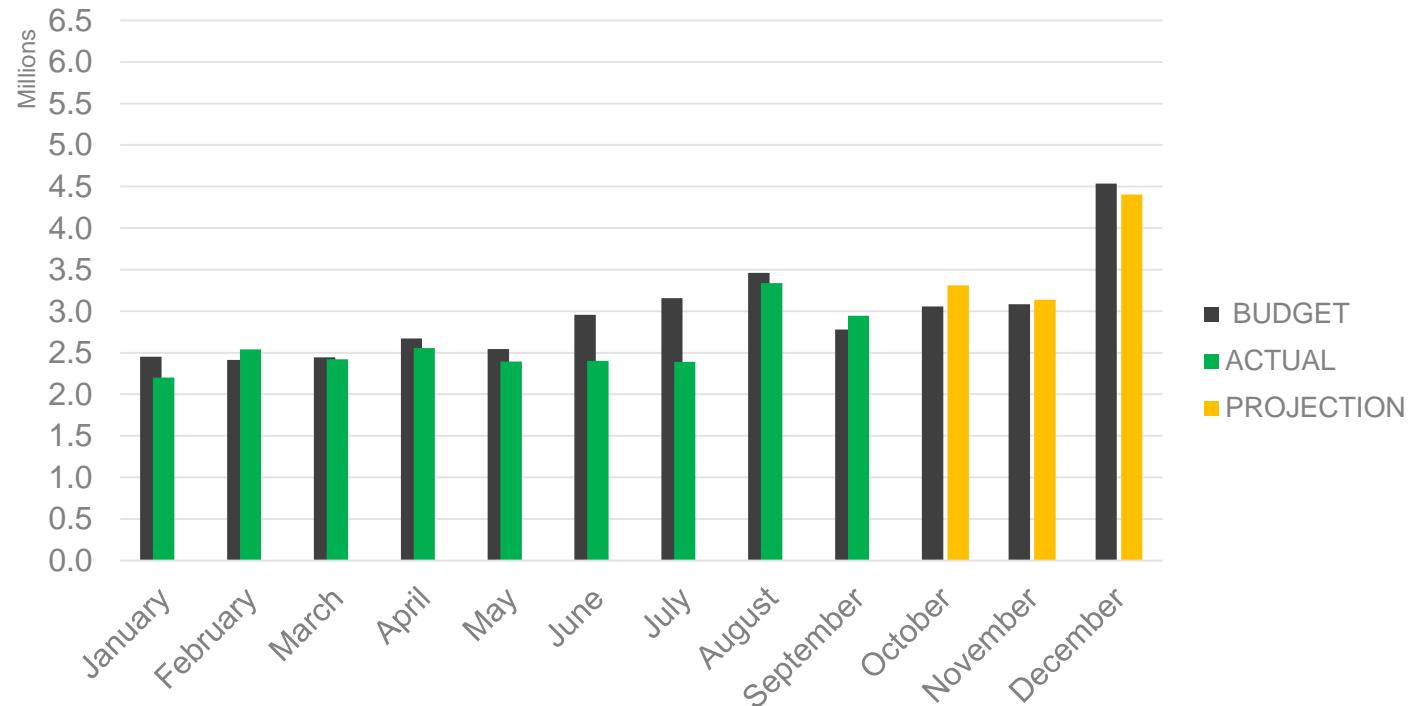
- Savings

- \$300k in personnel expenditures
- \$210k in operating expenditures
- \$150k in engineering program
- \$242k in CERF deferrals
- \$200k deferral of comprehensive plan
- \$125k for hotel tax rebate

- Additional costs

- \$531k for economic grant programs
  - *\$276k spent to date*

Monthly Expense Performance



***2020 projected expenses savings of \$700k***



# General Fund

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# Fund Summary

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	<b>2021 Revenues</b>	<b>2021 Expenses</b>	<b>Margin (\$)</b>
General Fund	\$33.58	\$35.52	(\$1.94)
<i>Infrastructure Investment</i>	<i>(\$3.25)</i>	<i>(\$2.94)</i>	<i>(\$0.31)</i>
<i>CERF</i>	<i>(\$0.66)</i>	<i>(\$0.97)</i>	<i>\$0.31</i>
<b>Unrestricted General Fund</b>	<b>\$29.67</b>	<b>\$31.61</b>	<b>(\$1.94)</b>

*\*in Millions*

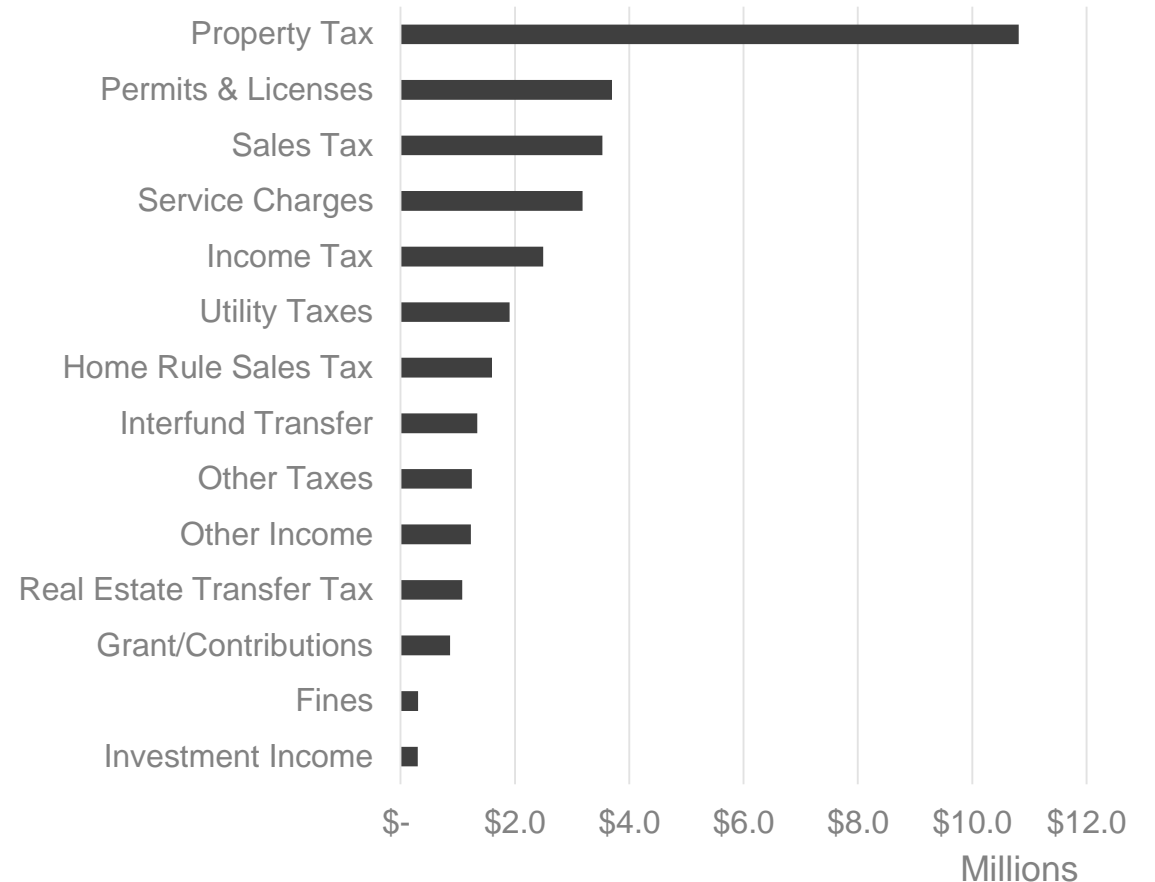
# 2021 General Fund Revenues

## \$33.58M total budget

- 1.7% reduction from 2020
- \$3.25M allocated to Infrastructure Investment
- \$0.66M allocated to CERF

*Goal is to maintain balance to protect against economic downturns; reduce reliance on single revenue sources*

- **Property taxes** – Stable growth
- **Market driven** – Continued decline based upon changes in marketplace and COVID-19
- **Service charges** – Stable revenue to align costs of services with fees charged
- **Intergovernmental** – Includes grants and transfers; grants are highly variable and transfers increase from water fund



# Proposed Tax Levy Increase

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	<b>2020 Budget</b>	<b>2021 Proposed</b>
General Operations	1.43%	2.23%
Roads	2.69%	0.0%
Public Safety Pensions	0.75%	1.77%
Debt Service	0.12%	-0.03%
<b>Total Increase</b>	<b>4.99%</b>	<b>3.97%</b>

- The pension component of the levy increase is mitigated in part by a \$500,000 transfer from general fund reserves
- Overall impact to the average property tax bill is \$75

# Property Tax Distribution

School District #203  
\$0.25



County & Other  
\$0.17



Library  
\$0.04



School District #39  
\$0.37

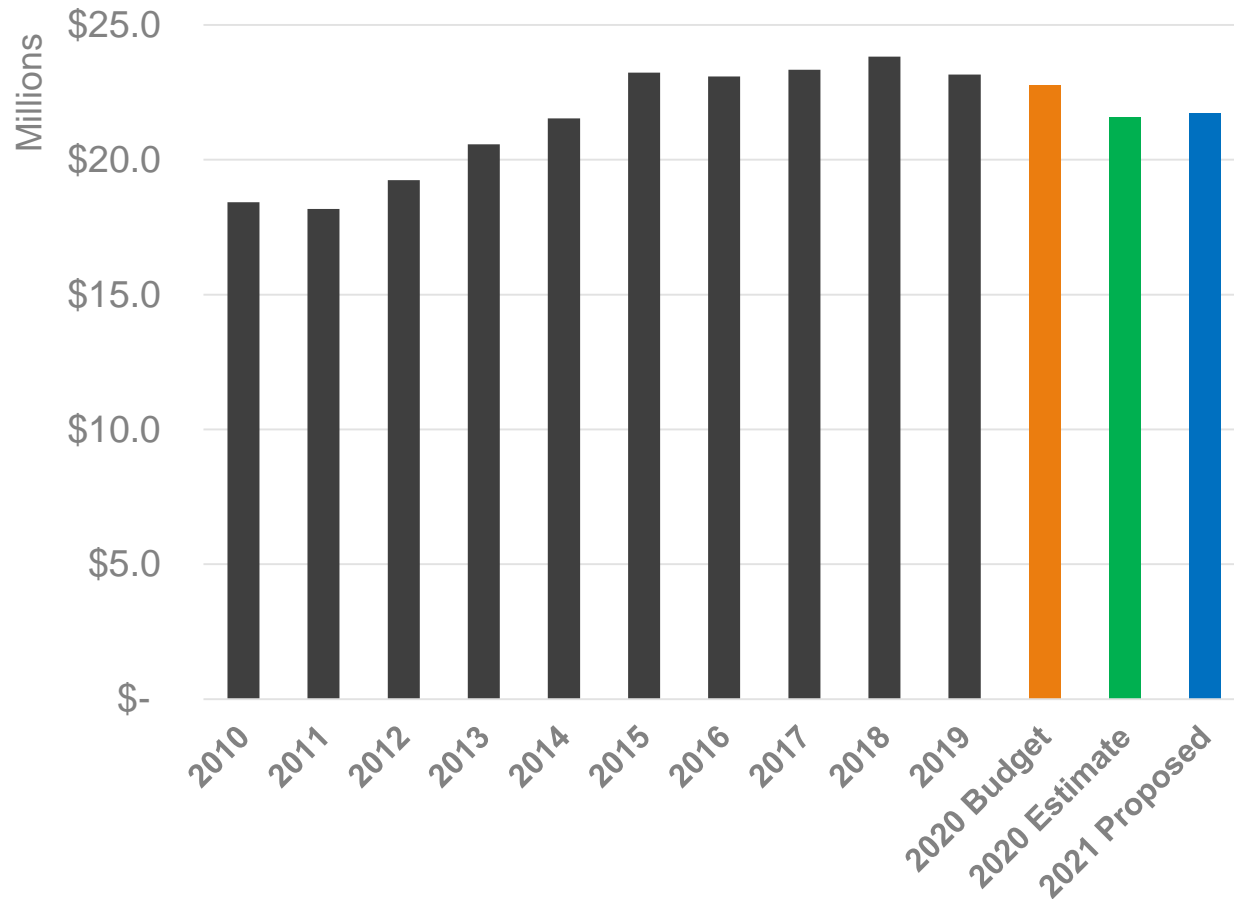


Park District  
\$0.05

Village of Wilmette  
\$0.12



# Recurring Revenues



Excludes property taxes, grants and non-recurring permits/real estate transfers

Revenues from 2010 to 2016 grew to pre-recession levels

Revenues starting in 2016 began to stagnate

- 2016 – 0.61% decrease
- 2017 – 1.06% increase
- 2018 – 2.09% increase
- 2019 – 2.78% decrease
- 2020 Budget – 1.74% decrease
- 2021 Budget – 4.57% decrease

Will lead to increased structural deficits in future years



# Sales Taxes

Comprised of three sources

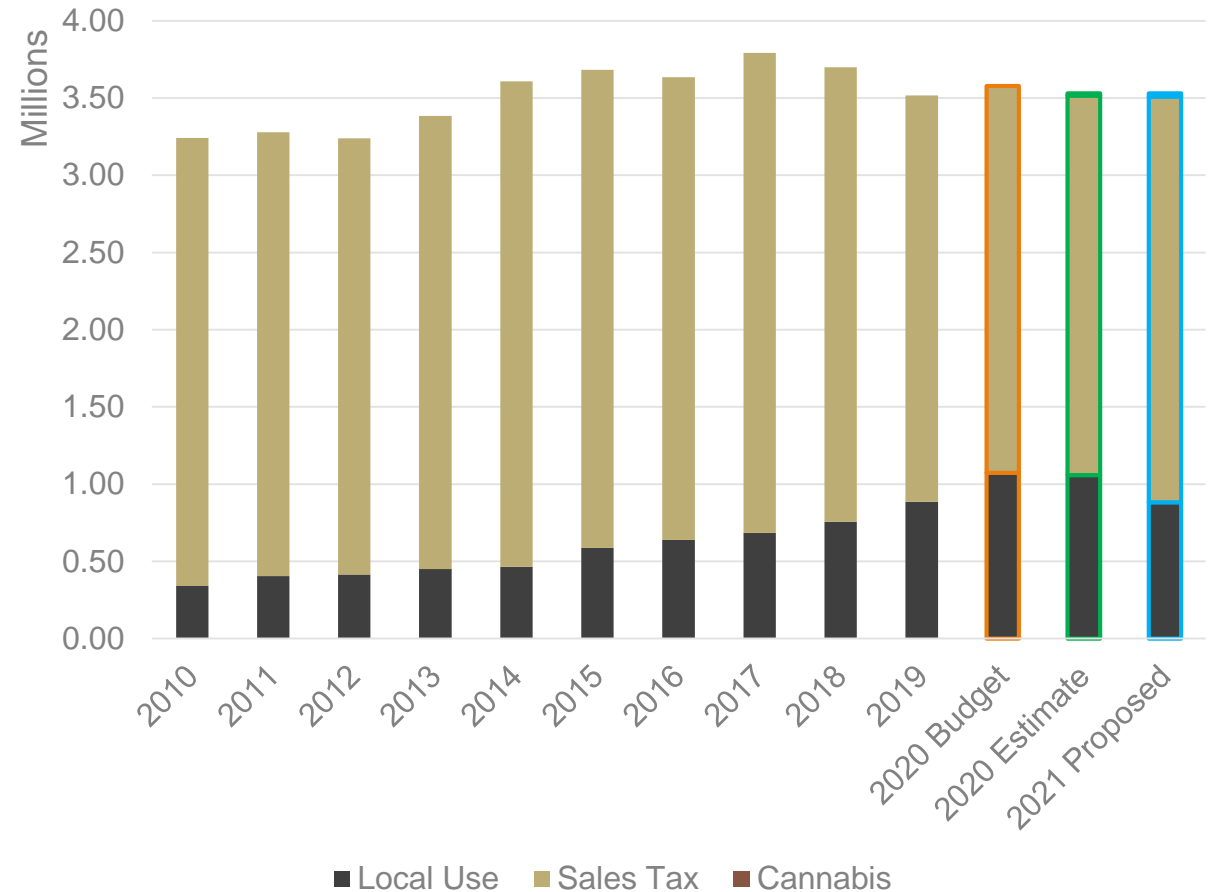
- Sales tax – 70%
- Local use tax – 30%
- Cannabis tax – <1%

Sales tax has been in decline but has been offset by growth in local use tax

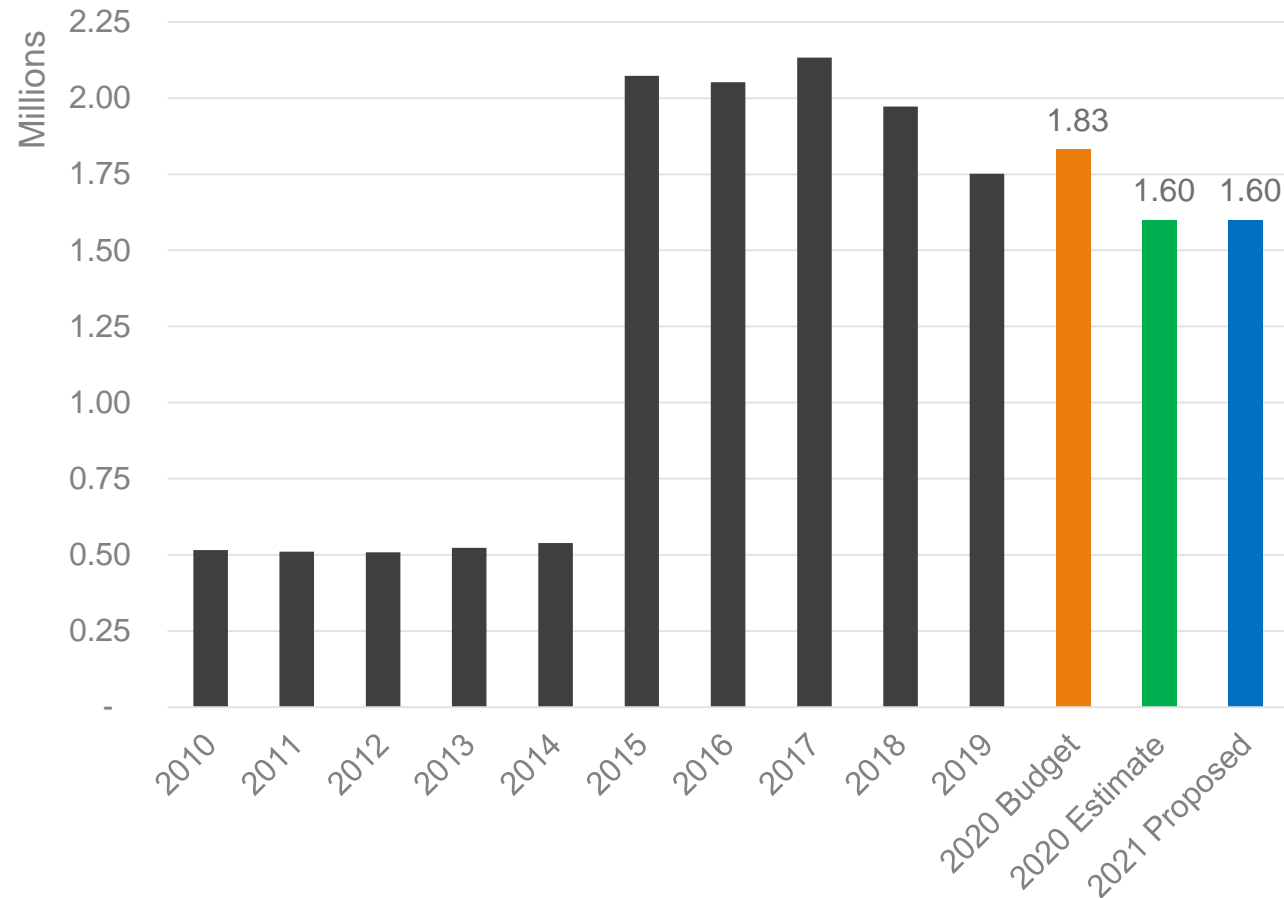
- \$3.53M budget is consistent with 2020 projection

‘Leveling the Playing Field for Illinois Retail Act’

- Approved November 14, 2019
- Remote retailers and marketplace sales will collect sales tax at destination vs. remitting use tax
- Expected to increase local sales tax but reduce local use tax distributions; impact unknown



# Home Rule Sales Tax



Rate increase in 2015 from 0.25% to 1.00%

Revenues has been in decline due to major retail closures

Portion of revenues are dedicated for annual road program

\$1.60M projection for 2020

- Down 12.6% compared to budget

2021 budget is conservative and aligns with 2020 estimates

# Real Estate Transfer Tax

Real estate transactions and sale prices have declined in recent years

- 11.0% since 2016
- 1.4% since 2019

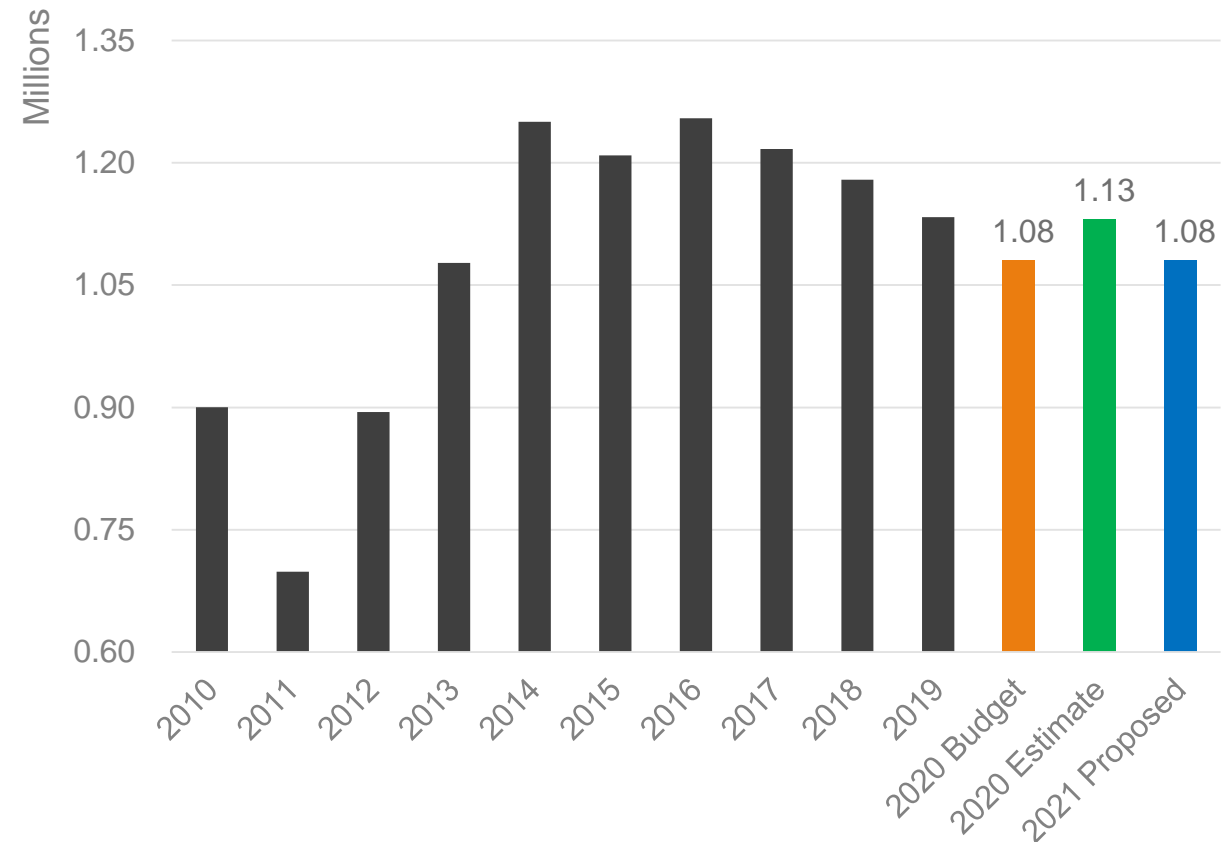
\$1.13M projection for 2020

- Up 4.7% compared to budget

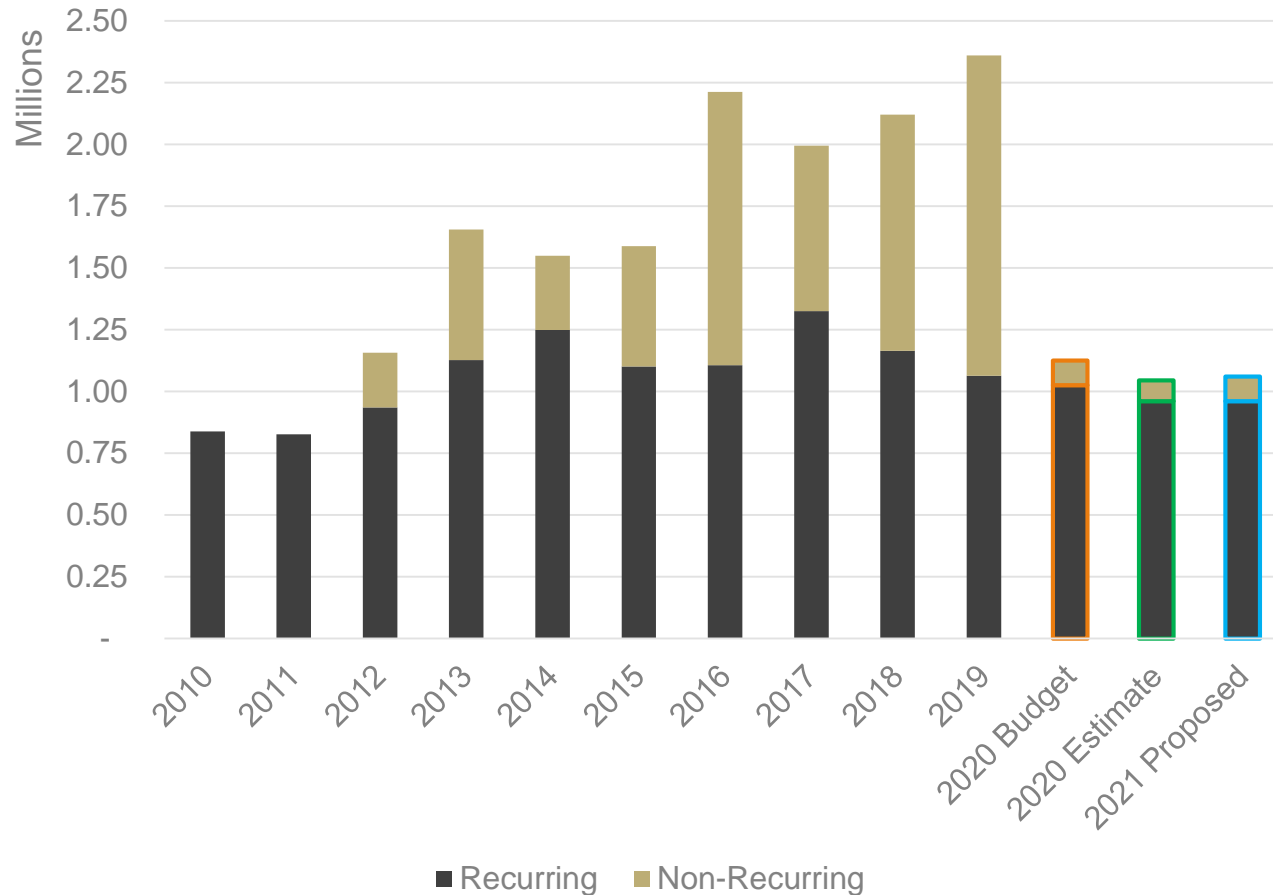
2021 budget is conservative and aligns with 2020 budget

Sales volume and average sale price

- 2020 Estimate – 540 transactions at \$795k
- 2021 Budget – 450 transactions at \$800k



# Building Permits



Comprised of two sources

- Recurring building permits
- Non-recurring building permits

Non-recurring permits help to fund CERF

Several large projects are anticipated for 2021 including Optima development and Loyola auditorium

- Not guaranteed so are not fully included in the 2021 proposed revenue

Recurring building permits have been in decline since 2017

\$961k budget is 6% less than 2020

# Income Tax

July 2017 the income tax rate was increased

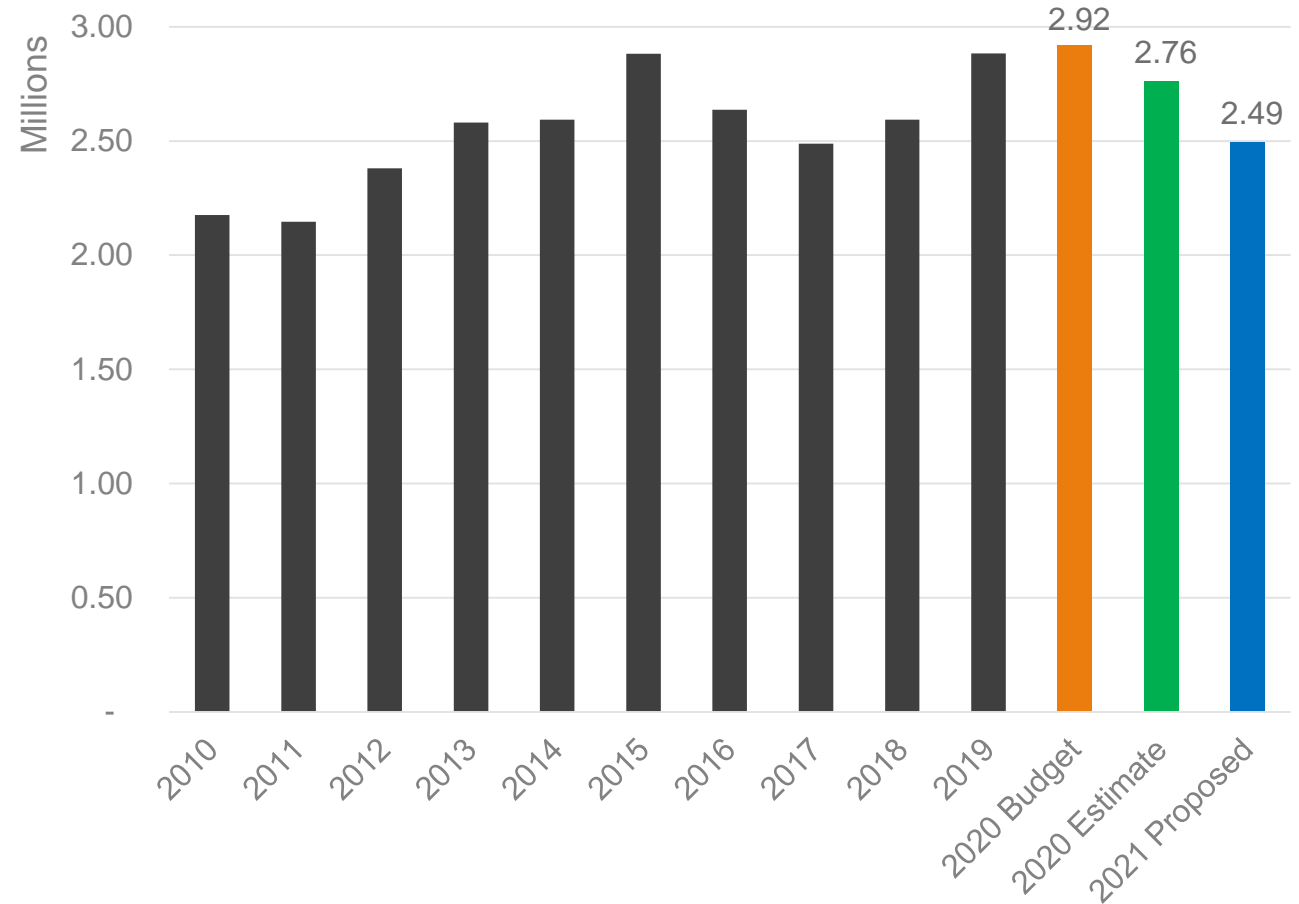
- 4.95% for individuals
- 7.00% for businesses

State share of revenues to municipalities

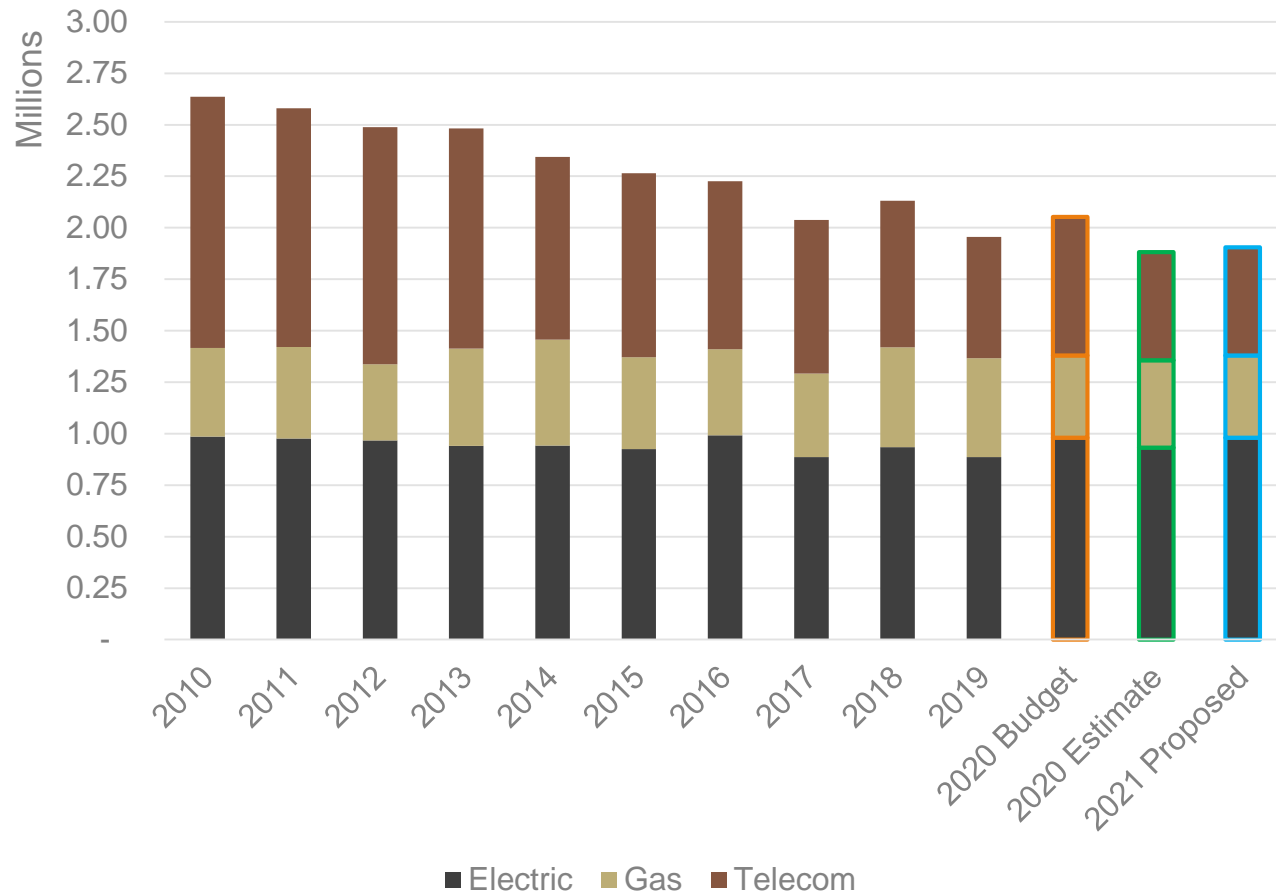
- 6.06% of individuals taxes
- 6.845% of corporate income taxes

Illinois Municipal League (IML)

- Estimate per capita revenue is \$92/month
- Projecting a significant decrease in revenue; their forecast uses the following indices:
  - Gross Domestic Product
  - Unemployment
  - Real Consumer Spending



# Utility Taxes



Comprised of three sources

- Electric tax
- Natural gas tax
- Telecommunications tax

Electric and natural gas tax are heavily weather dependent

- \$1.38M - budget at 10-year average

Telecommunications tax

- Revenue consistently declining since 2010
- 22% budget reduction from 2020 to 2021

# 2021 Revenue Review

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- Review of revenue types
  - *Balancing healthy mix of revenue sources*
- Assessment of general fund revenues
  - *Evaluation of revenue risks and opportunities*
- Taxpayer impact for 2021 and beyond

# General Fund Expenditures

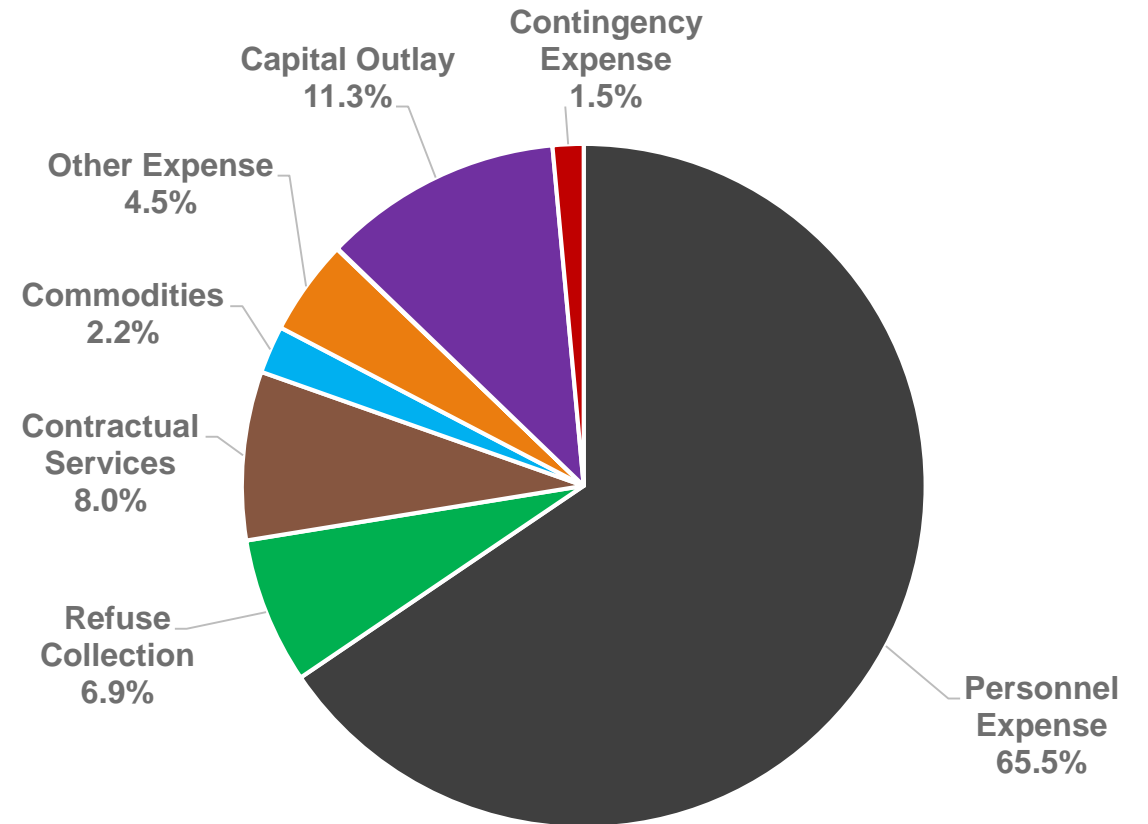
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## **\$35.52M total budget**

- \$31.61M for general operations
- \$2.94M for infrastructure investment
- \$0.97M for CERF

## Excluding infrastructure and CERF allocations

- 761k increase or 2.47%



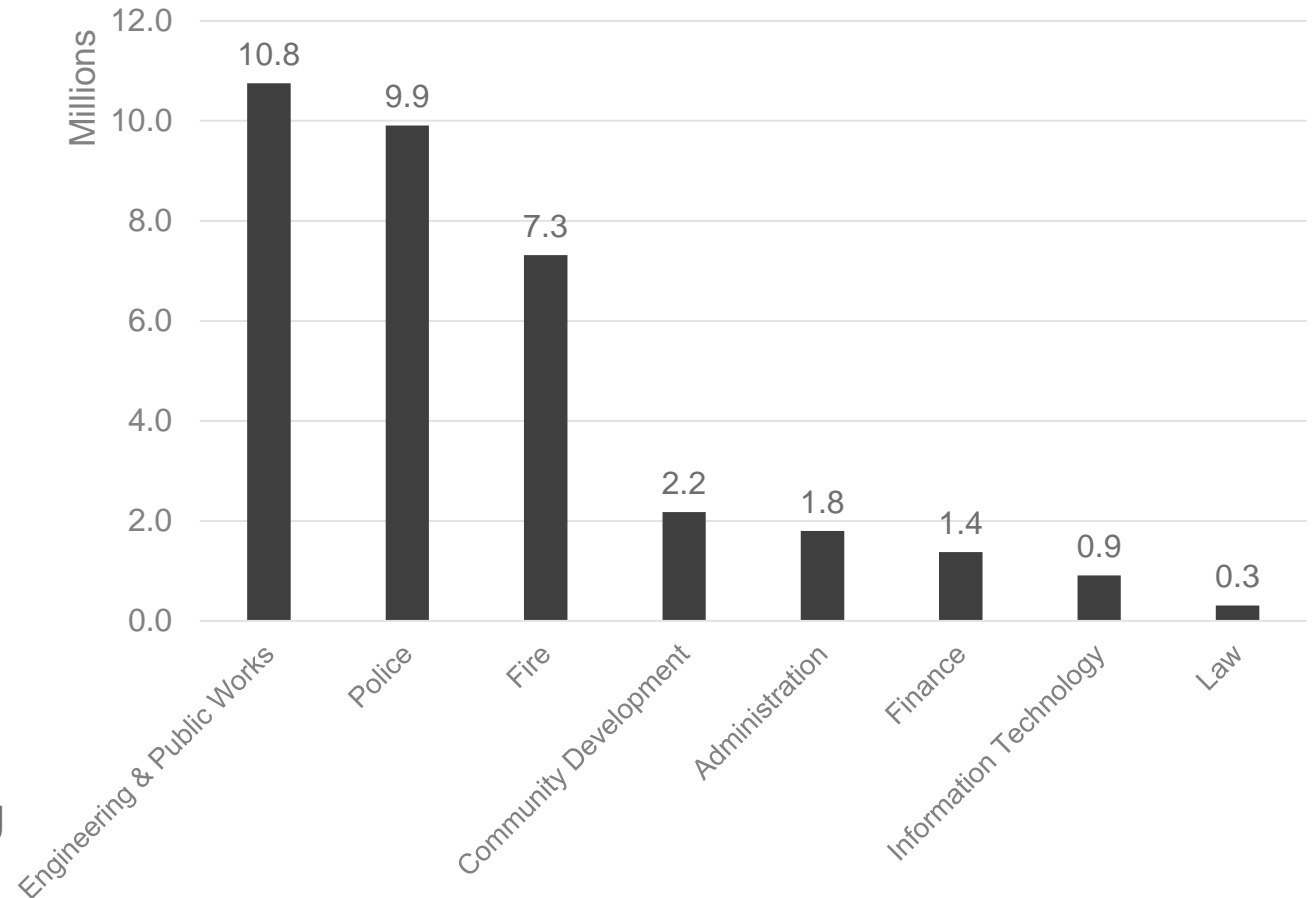


# General Fund Expenditures

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## Major budget increases:

- Technology investment
  - Licensing, phone system, internet, security and hardware
- Public safety
  - Dispatch services, radio replacements and re-accreditation
- Refuse collection
  - Increase per contract terms
- Contracted services
  - Communications, custodial, traffic signal maintenance, landscaping and COVID-19 testing



# 2021 Expense Review

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## Breakdown of expenditures into tiers

- If revenues do not meet projections, the tiers can be pulled to manage expenditures

### Tier 1 Lever

- Review of internal cost control measures
- Examples: training, holding open positions, vacancy factor, transfers and other discretionary expenses

### Tier 2 Lever

- Review of capital investments
- Examples: Review of CERF purchases or change to engineering program

### Tier 3 Lever

- Review of contracted programs and services
- Examples: forestry programs

### Tier 4 Lever

- Review of service levels and associated staffing

# Tier Review Options - \$2.29 million

## Tier 1 Levers - \$198,350

- \$100,000 – Hold open vacancies
- \$70,000 – Village-wide training
- \$7,000 – A/V improvements
- \$6,000 – Benchmarking cooperative
- \$6,000 – Fire unit body/paint work
- \$3,950 – Vegetation maintenance
- \$3,500 – Landscape installations
- \$1,900 – Budget printing

## Tier 2 Levers - \$1,705,500

- \$1M – Infrastructure investment
  - Road and alley programs
  - Brick street renovations & repair
  - Pavement/curb/sidewalk maint.
  - Traffic calming & pedestrian improv.
  - Bike plan and parking lot
- \$593,000 – CERF replacements
  - Sidewalk snowplow
  - Aerial lift truck
  - Large dump truck
- \$40,000 – Streetlight replacements
  - Luminaires and poles
- \$39,000 – GIS hardware/software
  - Updates to data and imaging
- \$12,500 – Replacement snow- plows
- \$11,000 – Replacement leaf pan
- \$10,000 – Building improvements

## Tier 3 Levers - \$381,500

- \$150,000 – Tree planting & trimming
- \$85,000 – Communications
  - Retainer and newsletter printing
- \$50,000 – Business development
  - Hanging baskets, marketing, etc.
- \$40,000 – IT replacements
  - Wide Area Network and computers
- \$17,400 – Scanning permits files
- \$15,600 – Fire re-accreditation
- \$10,000 – Leaf program vehicle lease
- \$8,000 – Streetscape furniture
- \$5,500 – Public works accreditation

# 2021 Reserve Drawdown

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Reserve Component	Amount
<b>2021 Deficit</b>	<b>\$1.94M</b>
COVID Revenue Impact	\$1.2M
Comprehensive Plan	\$175k
Pension Contribution	\$500k
Structural Deficit	\$130k

## Strategic allocation of reserves

- Used to address current challenges including COVID-19 revenue impacts
- Used to address future challenges including pension contributions
- Invest in community initiatives including the comprehensive plan
- Used to address structural deficit

# General Fund Reserves

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	2020 Estimate	2021 Budget
2020 Beginning Reserve	\$15.03	\$13.41
<b>Projected Ending Reserve</b>	<b>\$13.41</b>	<b>\$11.15</b>
% of Budgeted Operating Expense	36.5%	31.4%

*\*In Millions*

- The financial model and the developed scenarios informed the final 2020 budget estimates
- The financial model will be updated with the 2021 approved budget, which will serve as the baseline for future scenarios



# Water Fund

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# Fund Summary

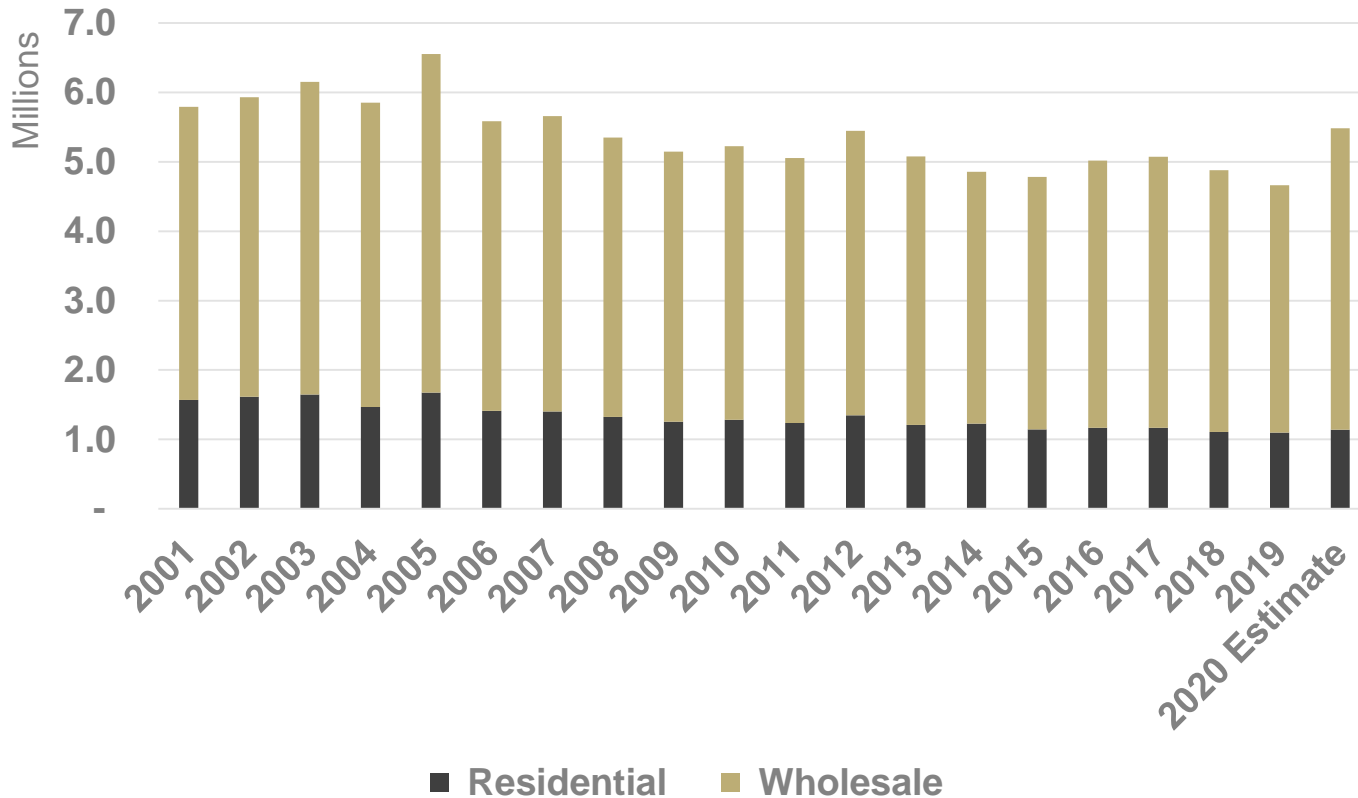
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	<b>2021 Revenues</b>	<b>2021 Expenses</b>	<b>Margin (\$)</b>
Water Operating	\$10.15	\$10.15	\$0.00
Water Capital	\$ -	\$0.40	(\$0.40)
<b>Water Fund Total</b>	<b>\$10.15</b>	<b>\$10.55</b>	<b>(\$0.40)</b>

*\*in Millions*

# Water Consumption

CCF of Water Sales



## Residential water usage

- 2020 estimate of 1.139 million CCF
- Decline of 30% over the past 20 years

## Wholesale water sales

- 2020 estimate of 4.342 million CCF
- Decline of 15% over the past 20 years
  - Offset partially by the addition of new customers

## North Maine

- Came online in June 2020
- 2021 estimated sales of \$1.4 million

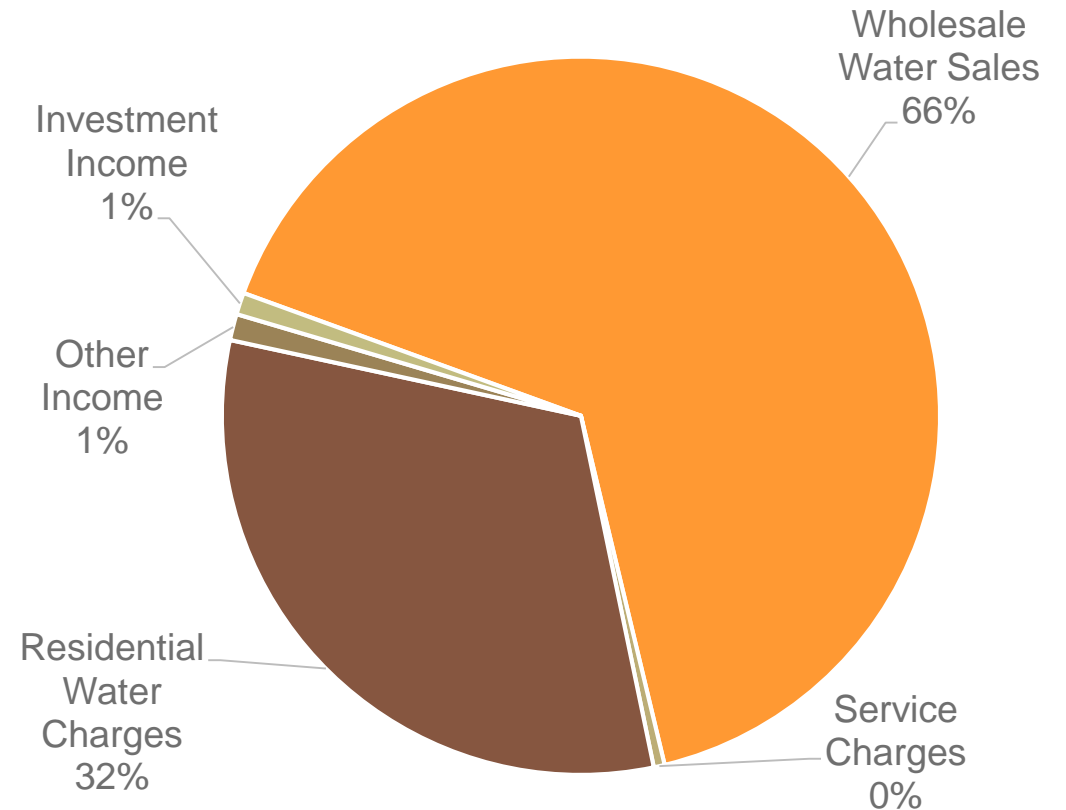


# Water Fund Revenues

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## Water Operations

- \$3.2M in residential water charges
  - No increase in 2021 rate
- \$6.67M in wholesale water sales
  - No increase in 2021 rate



# Water Rates

	<b>Wholesale Rate</b> <i>(per CCF)</i>	<b>Residential Rate</b> <i>(per CCF)</i>
2014	\$ 1.220	\$ 2.49
2015	\$ 1.331	\$ 2.49
2016	\$ 1.331	\$ 2.61
2017	\$ 1.392	\$ 2.61
2018	\$ 1.392	\$ 2.68
2019	\$ 1.472	\$ 2.75
2020	\$ 1.398	\$ 2.75
2021 (Budget)	\$ 1.398	\$ 2.75
2022 (Projected)	\$ 1.398	\$ 2.75
2023 (Projected)	\$ 1.398	\$ 2.75

- Water rates fund the maintenance and operations of:
  - Water plant
    - Produces water for Wilmette, Kenilworth, Glenview, Golf, North Maine, and American Water – 150,000 people
  - Water reservoir and meter maintenance
    - 4.0 MG standpipe
    - 3.0 MG reservoir & pumping station
    - Annual meter replacements
  - Water distribution system

# Water Fund Expenditures

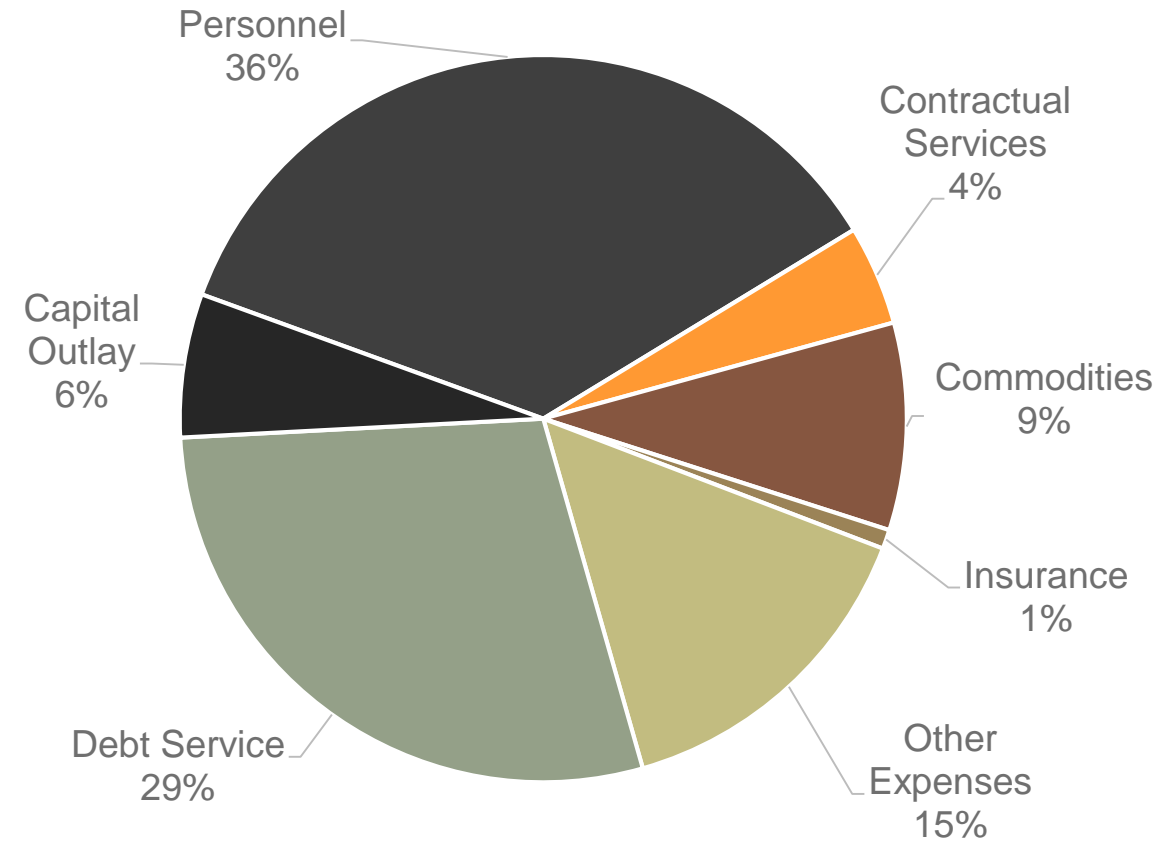
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## Water Operations

- Personnel increase of 1.0%
- \$1.34M for transfer to general fund
- \$25k for outsourcing of utility bill print
- \$9k for increase chemical cost
- \$91k for distribution valve improvements
- \$50k for rebuild water plant high lift
- \$15k for hydraulic modeling
- \$37k for meter shop van

## Water Capital

- \$400k for water plant electrical improvements



# Water Operations Reserves

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	2020 Estimate	2021 Proposed
2020 Beginning Reserve	\$3.33	\$3.89
Projected Ending Reserve	\$3.89	\$3.89
<b>% of Budgeted Operating Expense</b>	<b>43.2%</b>	<b>38.3%</b>

*\*in Millions*

- Excludes water fund capital projects that will be funded through borrowing
- Future plan includes water main replacement program starting in 2023



# Sewer Fund

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# Fund Summary

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	<b>2021 Revenues</b>	<b>2021 Expenses</b>	<b>Margin (\$)</b>
Sewer Operating	\$6.71	\$7.06	(\$0.34)
Sewer Capital	\$16.32	\$20.88	(\$4.56)
<b>Sewer Fund Total</b>	<b>\$23.03</b>	<b>\$27.94</b>	<b>(\$4.90)</b>

*\*in Millions*

# Sewer Fund Revenues

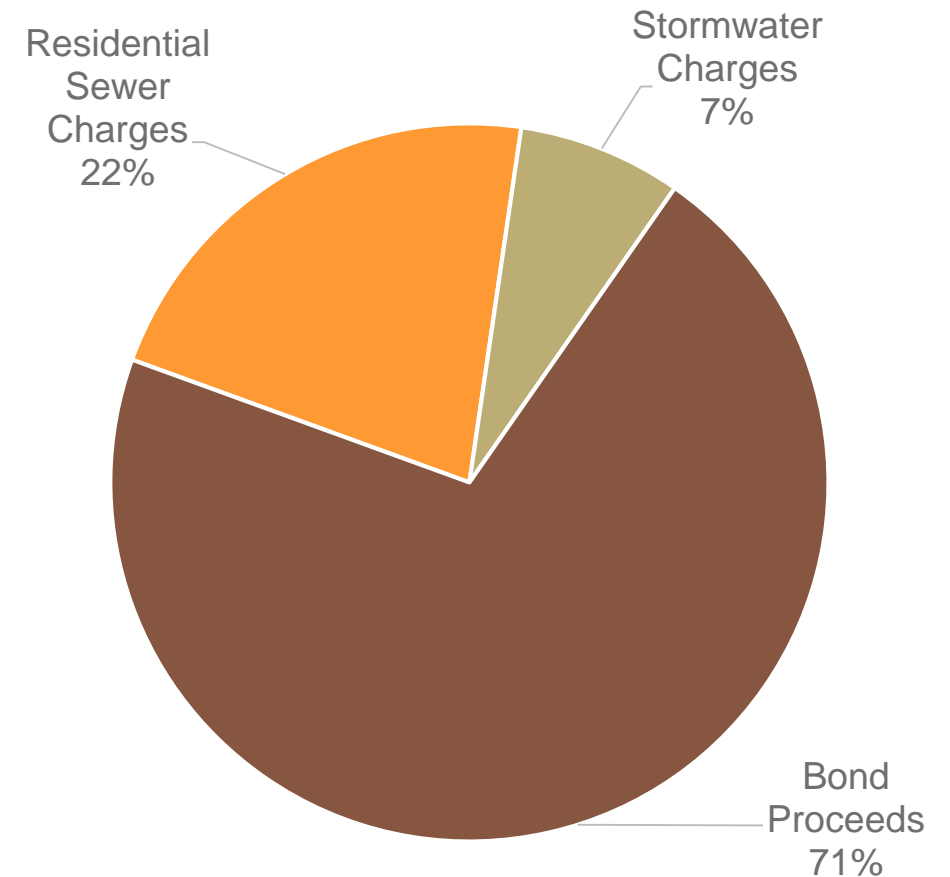
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## Sewer Operations

- \$5.0M in residential sewer charges
  - No increase in 2021 rate
- \$1.7M in stormwater charges
  - Increase of \$31 for average household

## Sewer Capital

- \$15.5M in bond proceeds
  - Electrical improvements and neighborhood storage project
- \$820k in IEPA Loans
  - Storm sewer lining program



# Sewer Rates

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	<b>Fee</b> <i>(per 100 cubic feet)</i>
2014	\$3.84
2015	\$4.24
2016	\$4.24
2017	\$4.24
2018	\$4.24
2019	\$4.24
2020	\$4.40
2021 (Budget)	\$4.40
2022 (Projected)	\$4.40
2023 (Projected)	\$4.40

- Initial increase of \$0.18 in 2021 projection; held flat at \$4.40
- Sewer rates fund the maintenance and operations of:
  - Village's sewer system
    - 49.79 miles of storm sewers
    - 55.60 miles of sanitary sewers
    - 47.00 miles of combined sewer
  - Sanitary and stormwater facilities
    - Lake & Harms Road
      - Stormwater pumping station
      - 1.0 MG sanitary lift station
    - 5.0 MG West Park sanitary storage facility



# Stormwater Rates

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	Fixed Fee	Cost per ERU	Average Residential Bill
2020	\$40	104	\$144
2021	\$50	\$125	\$175
2022 (Projected)	\$65	\$165	\$230
2023 (Projected)	\$75	\$210	\$285
2024 (Projected)	\$85	\$250	\$335

- Stormwater rates fund debt service for the neighborhood storage project:
  - \$4.5M for Phase 1a – Village-wide storm sewer
  - \$21.5M for Phase 1 – Community Playfield
  - **\$15.8M for Phase 2 – Hibbard Park**
  - \$26.5M for Phase 3 – Thornwood Park
- Decrease in projected future rates
  - 2022 down \$62
  - 2023 down \$40
  - 2024 down \$45

# Sewer Fund Expenditures

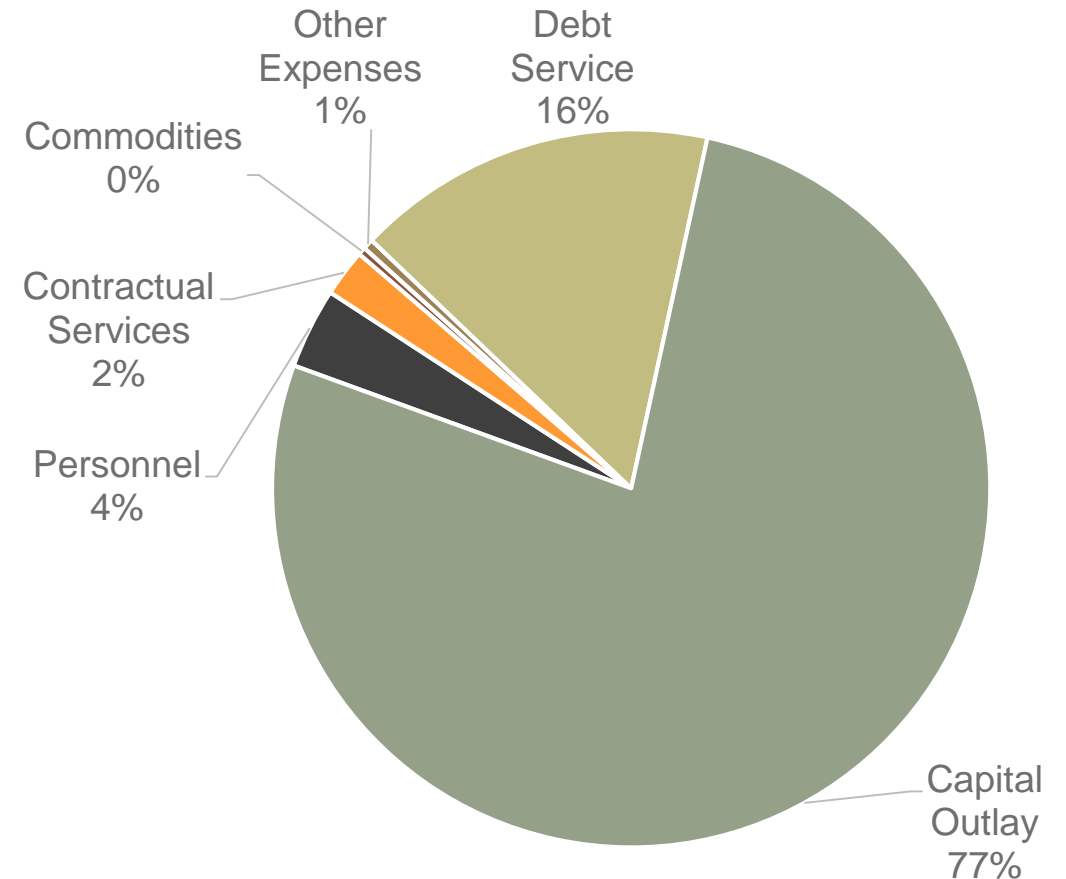
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## Sewer Operations

- Personnel increase of 3.1%
- \$466k for sewer main repairs
- \$60k for stormwater incentive program
- \$366k for sewer maintenance
- \$145k for televising truck

## Sewer Capital

- \$19.4M for neighborhood storage project
- \$600k for SWPS electrical improvements
- \$820k for storm sewer lining and rehabilitation



# Sewer Operations Reserves

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	<b>2020 Estimate</b>	<b>2021 Proposed</b>
2020 Beginning Reserve	\$2.05	\$2.40
Projected Ending Reserve	\$2.40	\$2.05
<b>% of Budgeted Operating Expense</b>	<b>38.8%</b>	<b>29.1%</b>

- Excludes sewer fund capital projects that will be funded through bond proceeds or IEPA loans
- Drawdown in fund balance is for capital investment including equipment purchases and sewer main repairs

*\*in Millions*



# Capital and Debt Service

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# Debt Service

## \$1.34M increase in all funds

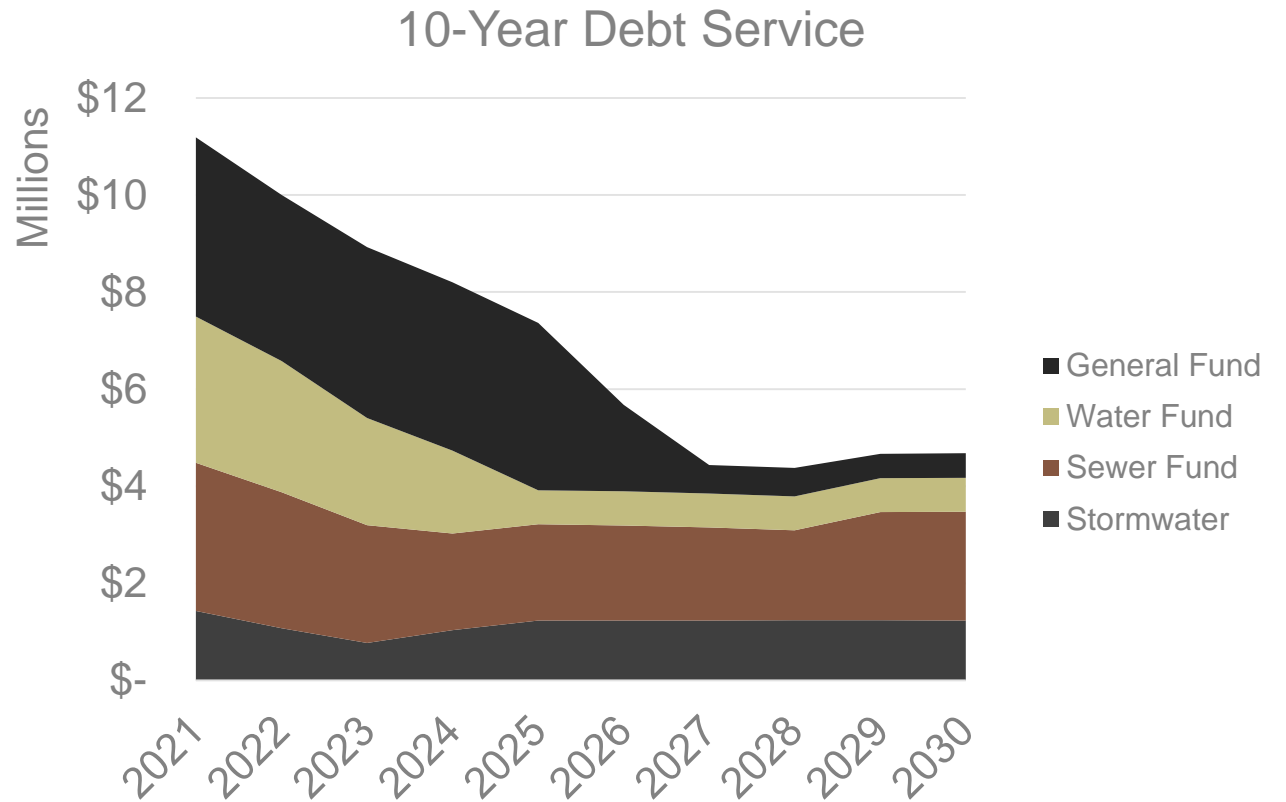
- Reduction from original projection due to refunding and favorable rates

## 2021 Debt Service

- \$3.69M for general debt service
- \$1.43M for stormwater
- \$3.05M for sewers
- \$3.01M for water

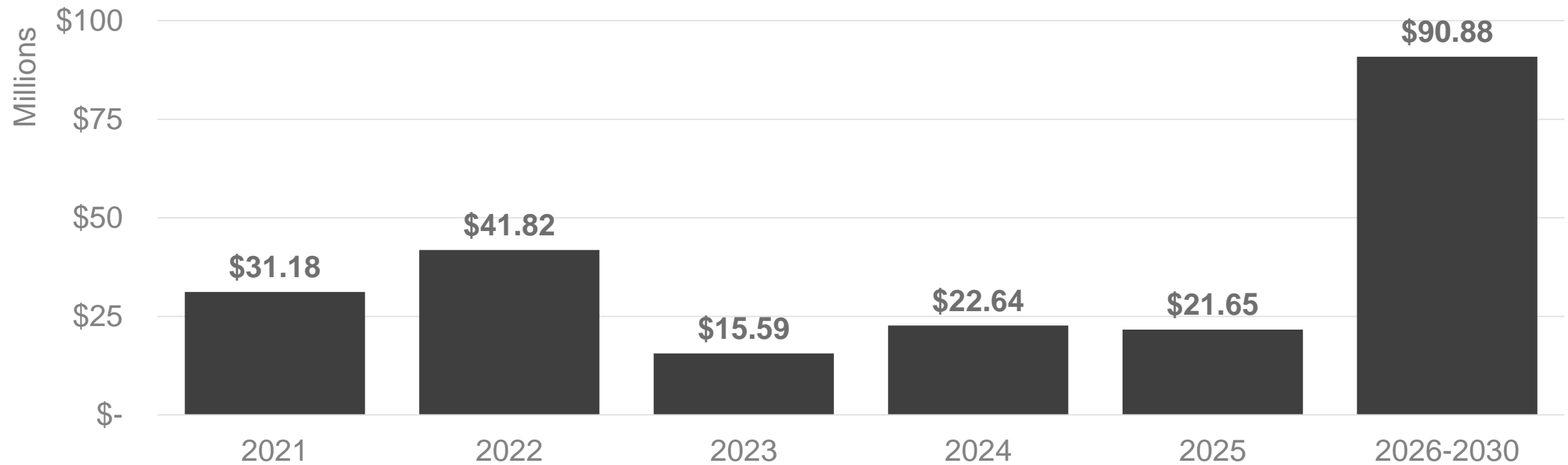
## Planned future debt financing for major capital projects

- \$47.5M for neighborhood storage project
- \$20.0M for water plant improvements
- \$20-25M for new police station



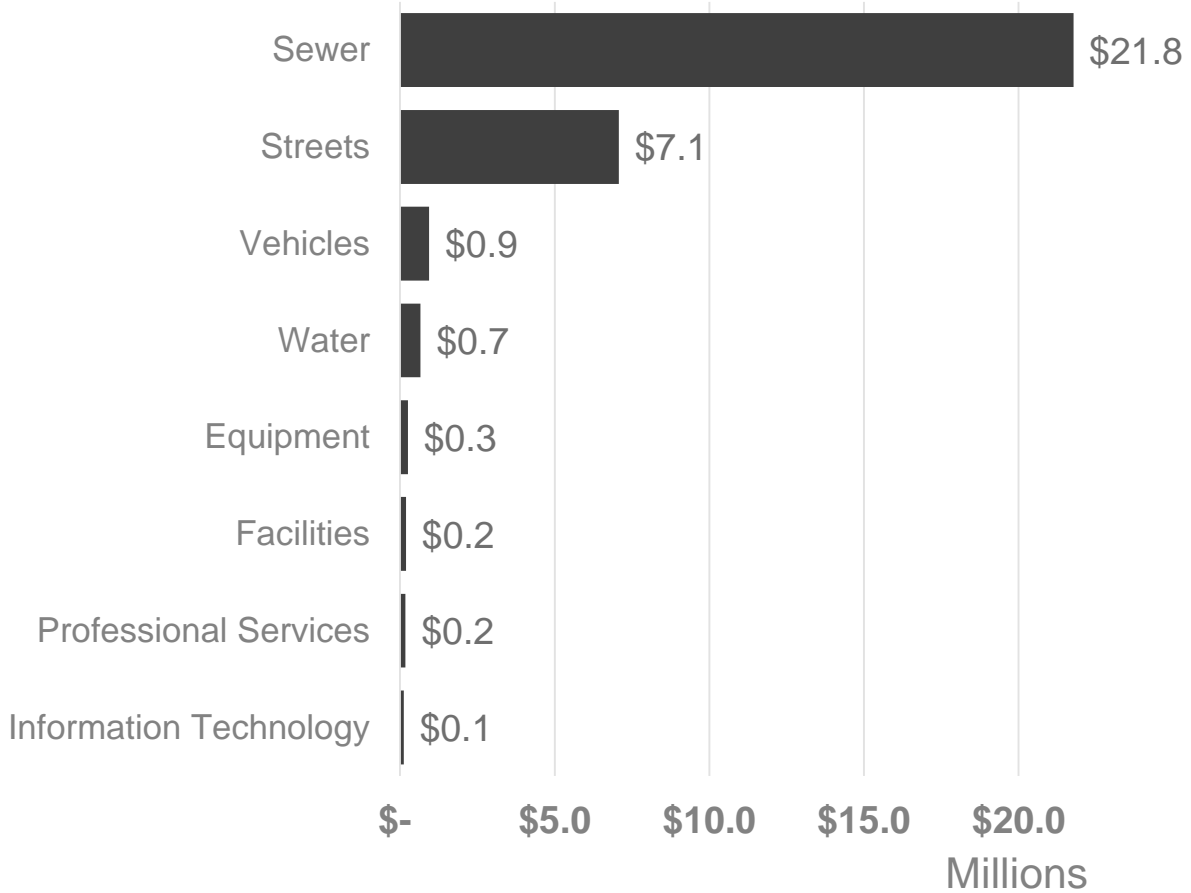
# 10-Year Capital Program Overview

***Total Investment of \$224M for infrastructure needs of community***



# 2021 Category Overview

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- Focus on sewer & streets asset investment
- 6 projects of the total 47 projects make up 84% of capital program
  - \$19.4M for neighborhood storage
  - \$2.8M for Central Ave. reconstruction
  - \$2.4M for street resurfacing
  - \$0.8M for sewer lining and rehabilitation
  - \$0.6M for SWPS electrical improvement
  - \$0.4M for water plant electric improvement

# Capital Equipment Replacement Fund (CERF)

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Equipment	Amount
Cardiac Monitors	68,000
Council Chambers A/V	80,000
Sidewalk Snowplow	168,000
Police Squad Car	46,000
Large Dump Truck	235,000
Aerial Lift Truck	190,000
Upgrade for NextGen 911	185,000
<b>TOTAL</b>	<b>\$ 972,000</b>

Internal service fund created in 2016

- Funding sources include:
  - Transfers from engineering & public works, police department and fire department
  - 50% of non-recurring building permits
  - Grants including NextGen 911 funding





# Infrastructure Investment

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# Program Summary

	<b>2020 Budget</b>	<b>2021 Proposed</b>
General Fund	\$4.41	\$2.94
Motor Fuel Tax Fund	\$1.20	\$1.80
Bond Proceeds	\$ -	\$2.33
<b>Infrastructure Total</b>	<b>\$5.61</b>	<b>\$7.06</b>

*\*in Millions*

# 2021 Revenue Allocations

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Revenue	Amount
Central Bond Proceeds	3,125,000
Vehicle Licenses	1,515,000
MFT Allotment	1,067,200
Property Taxes	650,000
Central Grant Funds	617,883
<i>State Bond Grant</i>	<i>595,000</i>
Fuel Tax	212,000
Home Rule Sales Tax	135,350
Other Revenues	124,500
MFT Fund Balance	128,300
<b>TOTAL</b>	<b>8,170,000</b>

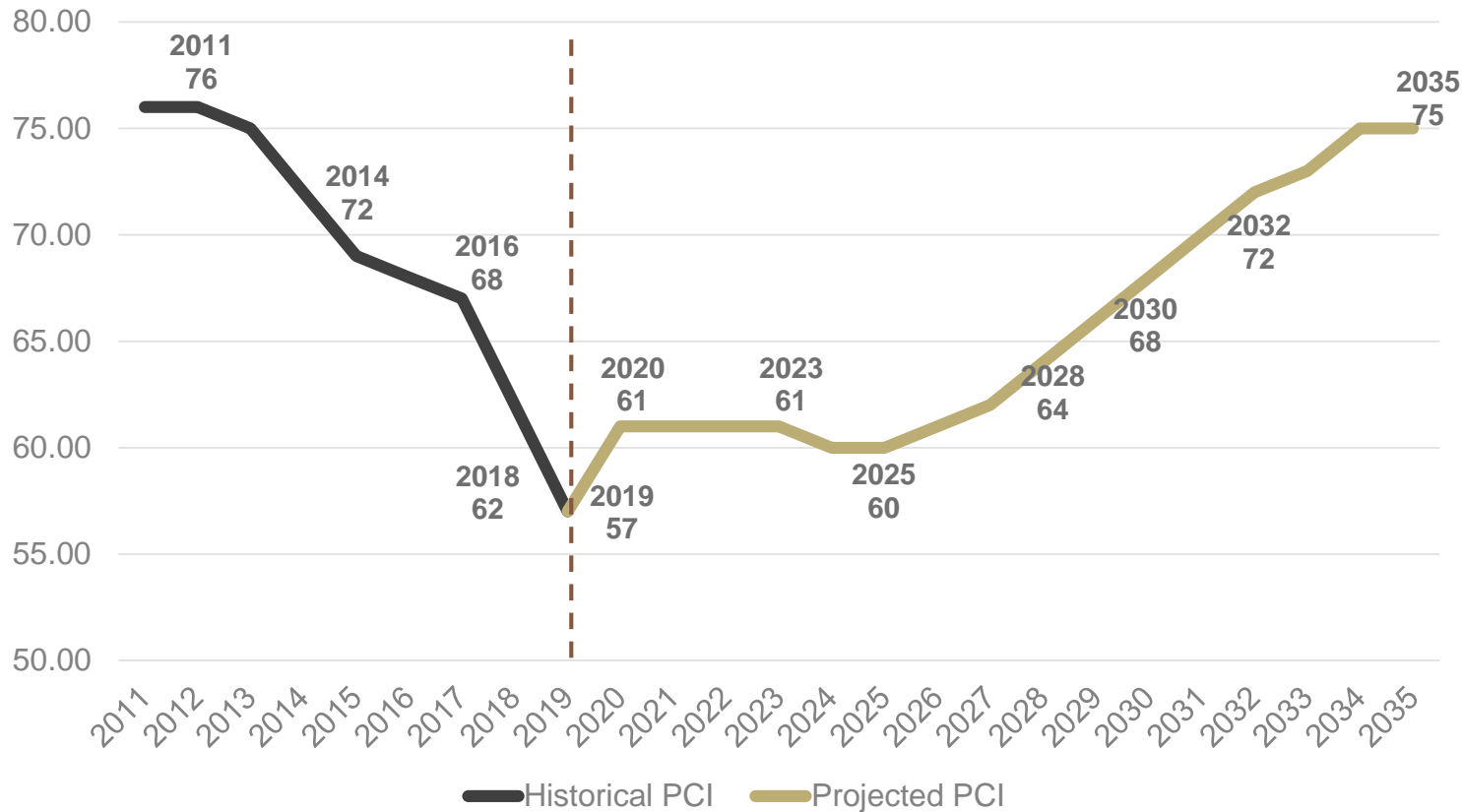
- Projected 20% decline in fuel tax receipts
- Consistent home rule sales tax disbursement to road program
- Property tax levy consistent with 2020 increase for dedicated funds
- State infrastructure bond funds
  - \$595k received; can be used for long-term infrastructure; options can include:
    - Brick overlay and reconstruction
    - Street resurfacing

# 2021 Projects

Project	2021 Request		Project	2021 Request
Central Avenue Reconstruction	2,843,943		Sidewalk Repair	75,000
Road Program	2,369,000		Pedestrian Improvements	55,000
Alley Reconstruction	574,000		Pavement Marking	52,000
Brick Street Renovation	341,000		Bike Plan Implementation	50,000
Pavement Maintenance	209,000		Curb Replacement	26,000
Engineering Services	186,000		Skokie Valley Trail	25,000
Brick Street Repair	113,000		Traffic Calming	25,000
Skokie & Lake Intersection	99,055		Parking Lot Improvements	15,000
<b>TOTAL: \$7,057,998</b>				

# Road Program

Pavement Condition Index (PCI)



- Consensus reached during 2020 budget process
- Funding levels:
  - \$2.75M in 2020
  - \$2.30M from 2021-2025
  - \$4.00M in 2026 & beyond
- On target to address all 2019 serious rated streets by 2023
- Long-term goal to achieve and maintain “good” PCI

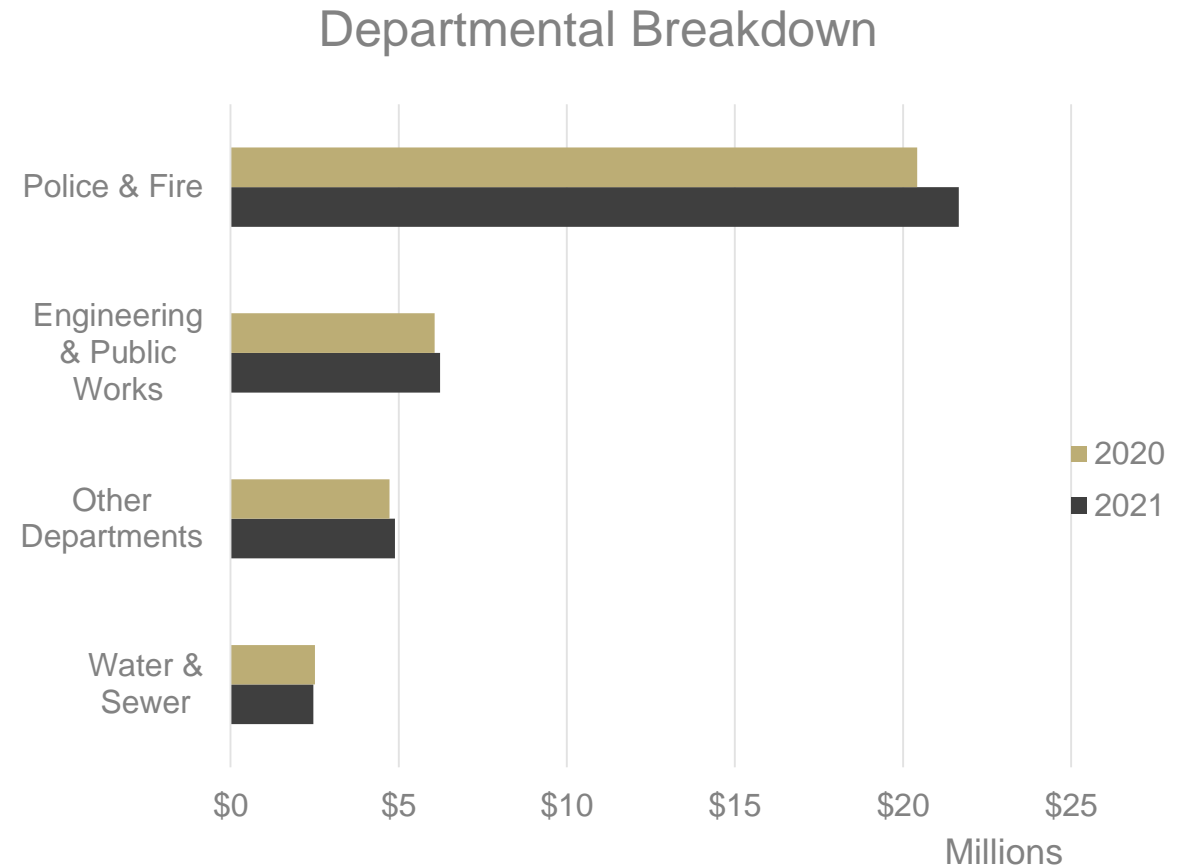


# Personnel and Benefits

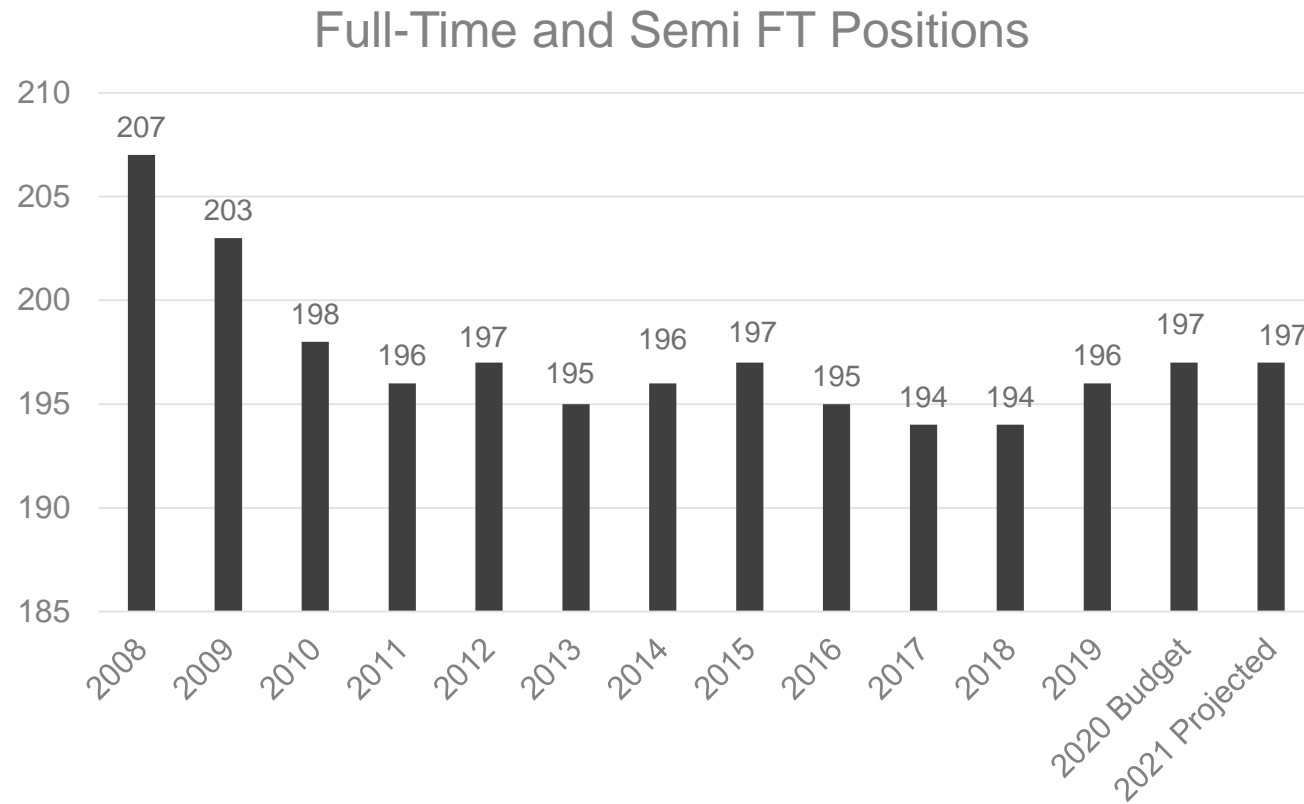
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# 2021 Personnel Costs

- Employee wages
  - 43.9% of operating funds
  - Includes salaries, wages, and overtime
  - \$22.80M total in 2021
  - Increase of 2.99% from 2020
- Employee benefits
  - 23.9% of operating funds
  - Includes public safety pensions, payroll benefits and healthcare
  - \$12.43M total in 2021
  - Increase of 7.2% from 2020



# Personnel

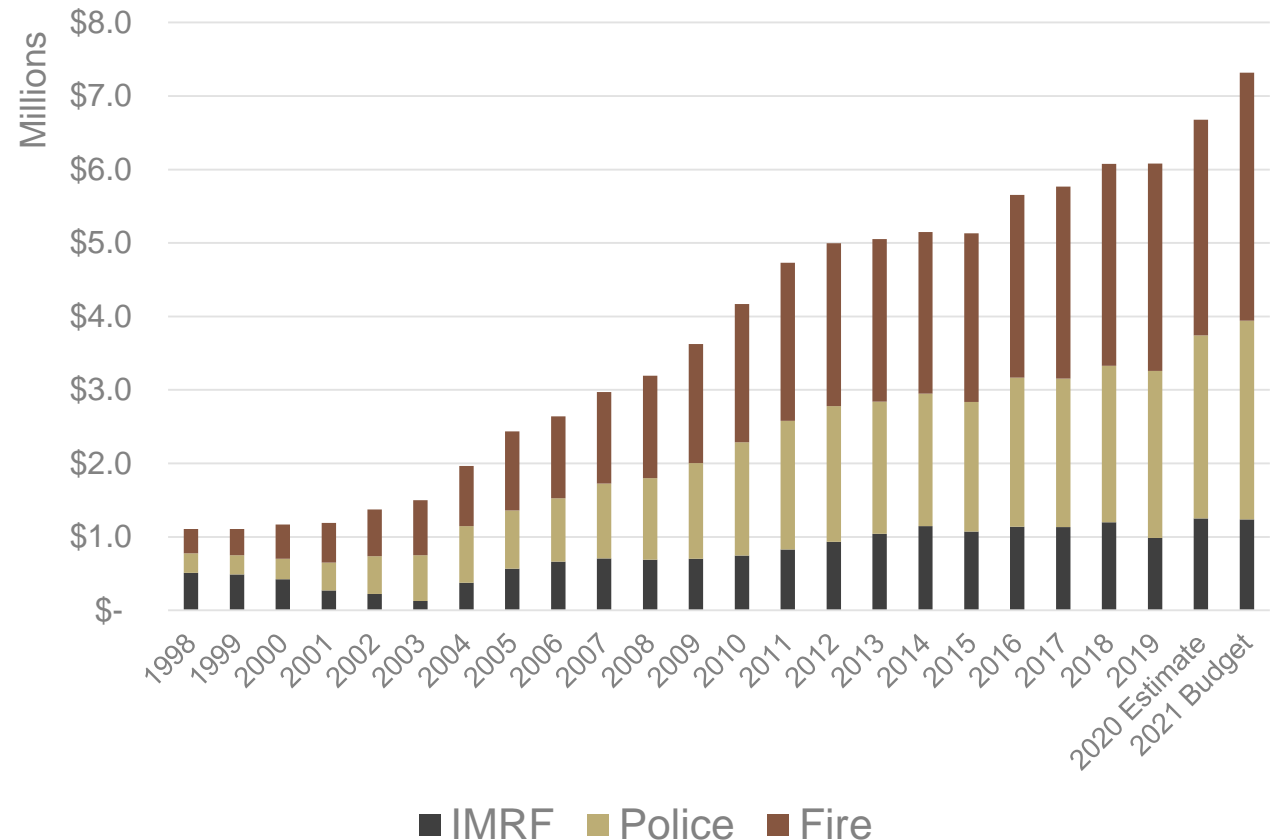


- Two-tier pay plan
  - Implemented in 2011
- Two bargaining units
  - Police and Fire
- Salary assumptions
  - 2.50% annual wage adjustment
  - Movement through pay scales
- Personnel changes
  - No new full-time positions
  - Small changes to part-time positions
  - Upgrade of Semi-FT position
  - Addition of PT Building Maintainer



# Pensions

- Cost increase of 560% since 1998
  - 8.18% annual growth
- IMRF
  - Rate is set at 10.81%
    - 3.5% rate decrease
    - \$13k in savings
    - Funding ratio of 95%
- Public Safety Pensions
  - \$6.08M total contribution
    - Includes \$500k drawdown of reserves
  - \$3.38M Fire contribution
    - Funding ratio of 62.5%
  - \$2.71M Police contribution
    - Funding ratio of 65.2%



# Public Safety Pensions

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## 2019 modification of pension methodology

- 15-Year rolling amortization schedule for police and fire pension funds
  - Short-term funding increases through 2023 – *partially funded through reserves*
- Projected to save \$40M in contributions from 2020 through 2040
- Smooths out annual contributions while increasing funding ratios

<b>Contribution Method</b>	<b>2019 Actual</b>	<b>2020 Actuals</b>	<b>2021 Budget</b>	<b>2022 Projection</b>	<b>2023 Projection</b>
Baseline	5.10M	5.30M	5.74M	5.83M	5.94M
Amortization Transition	-	5.43M	6.08M	6.42M	6.55M
Contribution Increase	-	330k	650k	340k	130k
General Fund Reserve	-	190k	500k	550k	50k

# 2021 Employee Insurance



- Health Insurance
  - PPO rate increase of 6.00%
  - HMO rate increase of 0.40%
- Flex Benefit Program
  - Allowance to employees to purchased insurance or other eligible expenses
- Section 105 Program
  - Eligible employees hired before January 1, 2016 and all sworn fire personnel
  - \$260k transfer from operating funds in 2021
- Life Insurance
  - Term Insurance equal to 150% of salary with \$110k cap
- Unemployment Insurance



# Summary

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# Budget Takeaways

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- Historical financial efforts have put Village in position to endure economic downturn
  - Aaa bond rating exemplifies strong finances and allows Village to take advantage of best rates
- Maintenance of all Village services
- Minimized impact to taxpayers
  - Reduced projected tax levy and no increases to water, refuse, and sewer fees
  - Increase in stormwater utility fee to cover debt service
- Significant infrastructure investment
  - Road program, Phase 2 of neighborhood storage, and equipment replacement
- Positive indicators
  - Real estate market stronger than expected, permit activity has been resilient
  - Major developments include Optima and discussions on filling major retail space including Edens Plaza
  - Change in sales tax distribution methodology
  - Continued management of future liabilities including pensions and debt service

# Fund Overview

	Revenues	Expenses
General Fund	33.58	35.94
Sewer Fund	23.03	27.94
Water Fund	10.15	10.55
Parking Meter Fund	0.26	0.34
Capital Projects Fund	3.36	2.56
General Debt Service Fund	3.68	3.70
Motor Fuel Tax Fund	1.67	1.80
Police and Fire Pension Funds	14.67	9.12
Section 105 Fund	0.27	0.31
<b>NON-INTERNAL SERVICE FUNDS</b>	<b>\$ 90.67</b>	<b>\$ 92.26</b>
Employee Insurance Fund	3.65	3.65
Municipal Garage Fund	1.42	1.42
Worker's Compensation Fund	0.16	0.16
IMRF Fund	2.29	2.29
<b>ALL FUNDS</b>	<b>\$ 98.18</b>	<b>\$ 99.75</b>

*\*in Millions*

# Reserve Levels

	2019 YE Balance	2020 YE Estimate	2021 YE Projection
General Fund <i>(Includes CERF)</i>	15.03	13.41	11.15
Capital Projects Fund	0.08	(0.82)	(0.02)
Motor Fuel Tax Fund	0.61	0.42	0.29
<i>Infrastructure Investment</i>	1.01	0.85	1.96
Sewer Fund <i>(Operations)</i>	2.05	2.40	2.05
Water Fund <i>(Operations)</i>	3.33	3.89	3.89
Parking Meter Fund	2.11	1.99	1.91
Debt Service Fund	0.07	0.04	0.03
<b>Non-Pension Funds</b>	<b>\$24.30</b>	<b>\$22.18</b>	<b>\$21.28</b>

*\*in Millions*

# Taxpayer Impact

	2020	2021	2022	2023	2024	2025
Levy Increase	4.99%	<b>3.97%</b>	3.91%	3.40%	3.59%	1.78%
Water Rate	\$2.75/unit	<b>\$2.75/unit</b>	\$2.75/unit	\$2.75/unit	\$2.75/unit	\$2.75/unit
Sewer Rate	\$4.40/unit	<b>\$4.40/unit</b>	\$4.40/unit	\$4.40/unit	\$4.40/unit	\$4.40/unit
Stormwater Fee	\$144	<b>\$175</b>	\$230	\$285	\$335	\$360
Refuse Fee	\$23.75/month	<b>\$23.75/month</b>	\$23.75/month	\$23.75/month	\$25.00/month	\$25.00/month
Vehicle Sticker	\$80	<b>\$80</b>	\$80	\$80	\$80	\$80



# Next Steps

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- Continue to monitor Village's cash flow needs
- Continue scenario based financial modeling
- Review General Fund operating revenues and expenditures for options to develop solution for structural deficit
- Finalize budget visualizations for increased budget communication and transparency

# Financial Modeling

- Continue detailed monthly reviews
- Update financial projections
- Provide timely information
- Track performance & adjust operations
- Expense Assessment
  - Tier Review Approach
- Revenues Assessment
  - 2021 budget is conservative approach
  - Goal to minimize downside risk

## Minimal Risk

- Property Tax
- Charges for Service (Refuse/Vehicle Stickers)
- Fines

## Moderate Risk

- Real Estate Transfer Tax (5-10% upside)
- Permits (5-10% upside)
- Utility Taxes (5% downside)

## High Risk

- Home Rule Sales Tax (10% downside)
- Fuel Tax (5% downside)
- Hotel Tax (5-10% downside)

## Enhancements

- Non-Recurring Permits (\$1M upside)
- Review of revenue sources

## Undetermined

- Income Tax (+/- of 10%)
- Sales Tax/Local Use Tax (+/- of 5%)

# Budget Schedule

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