



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Ad Hoc Budget Workshop for Fiscal Year 2021

November 17, 2020

Call To Order

The meeting was called to order at 7:01p.m. Roll Call was answered by Trustees Harlfinger, Dustin, Bogdanowski, Bojarski, Murphy, Huckins and President Ruzanski.

Also present were Village Administrator Fred Mullard, Assistant Village Administrator Shannon Andrews, Interim Finance Director Wayde Frerichs, Interim Community Service Director Anne Marie Hess, Chief of Police Brey and Village Clerk Cecilia Carman.

Fred Mullard welcomed everyone and thanked the Village staff for their hard work. He acknowledged the difficulty of generating this year's budget due to the pandemic.

BUDGET OVERVIEW

Village Administrator Fred Mullard, Interim Finance Director Wayde Frerichs and Assistant Village Administrator Shannon Andrews gave an overview of tonight's proceedings and reviewed the details of the budget message including, economic development, other 2020 accomplishments and challenges, the pandemic effects on the budget, a review of the 2021 budget, the financial outlook for 2021, major policy considerations, 2021 capital and debt needs, as well as a summary of each major fund. Overall budget for FY 2021 is \$32,252,522.

GENERAL FUND

Interim Finance Director Wayde Frerichs gave an overview of the expected revenues and expenses and the pandemic challenges to the budget. The General Fund budget for fiscal 2021 is \$18,099,260.00.

Executive Department – Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020 and discussed the 2021 Budget Request. The Executive Departmental budget for fiscal 2021 is \$96,103.00.

Administration Department – Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020 and discussed the 2021 Budget Request. The Administration Departmental budget for fiscal 2021 is \$1,006,178.00.

Community Development - Village Administrator Mullard presented the major accomplishments for 2020, challenges due to the pandemic and discussed the 2021 Budget Request. The Community Developmental budget for fiscal 2021 is \$728,856.00.

Finance Department – Interim Finance Director Wayde Frerichs presented the major accomplishments for 2020, challenges due to the pandemic and discussed the 2021 Budget Request. The Finance Departmental budget for fiscal 2021 is \$827,736.00.

Police Department - Administration – Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020 and discussed the 2021 Budget Request. The Police Department Administration budget for fiscal 2021 is \$1,503,185.00.

Police Department – Patrol Services - Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020, challenges due to the pandemic and discussed the 2021 Budget Request. The Police Department Patrol Services budget for fiscal 2021 is \$5,967,017.00.

Police Department – Support Services - Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020, challenges due to the pandemic and discussed 2021 Budget Request. The Police Department Support Services budget for fiscal 2021 is \$1,526,577.00.

Public Works - Administration – Village Administrator Fred Mullard presented the major accomplishments for 2020 and 2021 Budget Request. The Public Works Administration budget for fiscal 2021 is \$412,444.00.

Public Works – Streets - Village Administrator Fred Mullard presented the major accomplishments for 2020, challenges due to the pandemic and discussed the 2021 Budget Request. The Public Works Streets budget for fiscal 2021 is \$2,393,259.00.

Public Works – Public Properties - Village Administrator Fred Mullard presented the major accomplishments for 2020, challenges due to the pandemic and discussed the 2021 Budget Request. The Public Works Public Properties budget for fiscal 2021 is \$1,667,406.00.

Management Information Systems - Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020, challenges due to the pandemic, and the 2021 Budget Request. The Management Information System budget for fiscal 2021 is \$531,566.00.

Recreation Department: – Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020, challenges due to the pandemic, and discussed the 2021 Budget Request. The Recreation budget for fiscal 2021 is \$884,008.00.

Insurance and Tort – Interim Finance Director Wayde Frerichs presented the major accomplishments for 2020 and discussed the 2021 Budget Request. The Insurance and Tort budget for fiscal 2021 is \$531,800.00.

Interfund Transfers – Interim Finance Director Wayde Frerichs presented the funds transferred during 2020 and the 2021 projected needs for Interfund Transfers and discussed the 2021 Budget Request. The Interfund Transfer budget for fiscal 2021 is \$29,225.00.

OTHER FUNDS

Motor Fuel Tax – Village Administrator Fred Mullard presented the major accomplishments for 2020. He explained the expected revenue for fiscal 2021 is \$3,263,146.00 and the expected expenditures for fiscal 2021 is \$3,165,712.00.

Special Service Area – Village Administrator Fred Mullard presented the major accomplishments for 2020 and discussed the 2021 Budget Request. The Special Service Area Fund budget for fiscal 2021 is \$529,133.00.

Lake Restoration Fund – Village Administrator Fred Mullard presented the 2020 projects and discussed the 2021 Budget Request. The Lake Restoration Fund budget for fiscal 2021 is \$1,847,075.00.

Capital Improvement Fund – Assistant Village Administrator Shannon Andrews presented the major accomplishments for 2020 and discussed budget request. The Capital Improvement Fund for fiscal 2021 is \$1,521,945.

Water Operating and Maintenance Fund – Village Administrator Fred Mullard presented the 2020 projects and discussed the 2021 Budget Request. The Water Operating and Maintenance Fund budget for fiscal 2021 is \$3,353,903.00.

Airport Operating and Maintenance Fund - Village Administrator Fred Mullard presented the major accomplishments for 2020, challenges due to the pandemic, and discussed the 2021 Budget Request. The Airport Operating and Maintenance Fund budget for fiscal 2021 is \$3,369,414.00.

Health Insurance Fund - Interim Finance Director Wayde Frerichs presented the major accomplishments for 2020 and discussed the 2021 Budget Request. The Health Insurance Fund budget for fiscal 2021 is \$366,100.00.

Trustee Dustin began a discussion concerning the budget deficit. He would like to see the staff minimize or make adjustments to remove any funding gap. He stated businesses do not run this way. Administrator Mullard commented governments have mandated services they need to provide and do not have the capacity to limit budgets as much as business would. He and Interim Finance Director Wayde Frerichs commented the numbers given are very conservative and they did not place any projected new revenues for 2021. They also mentioned the deficit is due to true budgeting and not adding the CARES Act monies. If all these monies would be accounted for then the budget would have been a surplus. Trustee Dustin acknowledged that and stated the future is uncertain and would like to have the staff come back to the Board with a more balanced budget. Trustee Bogdanowski stated that while he understands that we have a deficit for 2021, if you look at our reserves at the end of 2019 and what we are projecting at the end of 2021, it is an actual increase. An increase that will put our reserves at 70+ % when our ordinance states it should be at 25%. Trustee Huckins asked if any new hires could be delayed. Administrator Mullard explained the issue is him and other staff are spending much valuable time on things that are not in their job description and their work is not getting done. Trustee Bojarski stated the budget deficit does appear alarming. She asked the staff to defer any possible purchases for a later date and to be diligent in eliminating or decreasing discretionary spending. She thanked the staff for their hard work. Trustee Harlfinger asked the Board what direction we are giving the staff. The Board agreed to have the staff review the budget and to possibly find any more sources of revenues or cuts.

Administrator Mullard thanked all the employees who contributed to the budget and stated the Budget Hearing will be December 8, 2020 at 7:15pm.

Other Business: None at this time.

A motion to adjourn meeting was made Trustee Harlfinger and seconded by Trustee Dustin. All in favor in voted by voice vote. No Nays. Motion carried. With nothing further to discuss the Ad-Hoc Budget Workshop for Fiscal 2021 was adjourned at 9:11pm.

Submitted by,

Cecilia Carman
Village Clerk