



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

PUBLIC HEARING: FISCAL YEAR 2023 PROPOSED BUDGET

DECEMBER 6, 2022

Call to Order

The meeting was called to order at 7:15 pm.

Roll call was answered by Trustees Harlfinger, Dustin, Murphy, Bojarski, Anderson, and President Bogdanowski.

Motion to allow Trustee Huckins to attend telephonically was made by Trustee Harlfinger and seconded by Trustee Dustin. On roll call vote, Trustees Anderson, Murphy, Dustin, Harlfinger, and Bojarski voted Aye. No Nays. Motion carried.

Also present were Village Administrator Shannon Andrews, Assistant Village Administrator Ashley Eccles, Chief of Police Mary Frake, Finance Director Pete Stefan, Public Works Director Ryan McDillon, Village Attorney Brad Stewart, and Deputy Village Clerk Nancy Sujet.

Presentation

Presentation of Fiscal Year 2023 Proposed Budget

Presented by Village Administrator Shannon Andrews

The Fiscal Year 2023 Budget is presented as a balanced budget with revenues in the General Fund equal to expenditures in the amount of \$22,596,470. Revenues are conservatively estimated and nearly match the revenues of FY2022 if we were to remove the \$3.9 million in COVID grant funds received.

The Village is very proud that the FY2023 budget reflects the thirteenth consecutive year of a flat or reduced tax levy. New construction growth will be captured in FY2023 for the second consecutive year. Sales tax revenue remains high due in large part to the Leveling of the Playing Field for Illinois Retail Act. Base sales tax revenue is estimated to be \$4,174,000 in FY2023. Income Tax is also being conservatively estimated at \$4,376,000. Licenses and permits are down 12.6% from FY2022 due to market conditions and the limited number of residential lots remaining.

FY2023 expenditures are projected to be \$22,596,470, which is an \$11,620,839 reduction over the previous year, when the Village paid the 2020 unfunded liability of the Police Pension Fund and transferred over \$10 million to the Policy Facility Construction Fund.

General Fund

The FY2023 budget includes a 4% Cost of Living increase in January in accordance with the Village's Personnel Rules and Regulations, for all eligible, non-represented employees of the Village. A merit increase, up to an additional 1%, is being proposed as an incentive for staff to reach for top performance standards.

- The Executive Department remains largely flat compared to the prior year, with the largest expense being the sales tax reimbursements to Culver's in the amount of \$40,400.



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- Increases in the Administration Department relate to the hiring of an Administrative Services Manager to oversee the customer service counter and serve as additional management support across all Village Hall Departments. The part-time Office Assistant will be moved up in grade and retitled as the Human Resources Coordinator. Finally, the 20 year old lobby furniture will be replaced and a kiosk added to the entryway of Village Hall.
- The Administrative Specialist assigned to the Finance Department has been moved over to the Community Development and the part-time Economic Development Coordinator position has been eliminated.
- The FY2023 Budget includes just under \$30,000 for planning consultants to assist in preparing cost analyses and recapture agreements, grant applications and updating the Zoning Ordinance. Another \$26,000 has been budgeted for seasonal staffing services to help staff during the summer months when permit processing reaches its peak.
- In FY2023, the Police Department will be adding two new positions, an Evidence Custodian and a Police Officer. The Evidence Custodian will be responsible for the processing of all evidence requests, audio/video redaction, and body worn camera footage requests. The new Officer will be assigned to the Patrol Division, which will allow for the transfer of an existing Officer to fill a need in Investigations. In addition, the department is eliminating the Communications Coordinator position in lieu of assigning an Officer to fulfill the role of the Public Information Officer. This will require an additional Officer position in the Patrol Division, increasing the authorized strength of sworn police officers. Finally, the Social Services Coordinator position has been moved up in grade and retitled to Social Services Director. Even with the new positions added, Personal Services within each division of the Police Department reflect decreases due to the reductions in the pension liability.
- Expenses within the Public Works Department increased by 7.48% to \$5,071,314 across all divisions. A majority of this increase is due to market increases in contractual services and commodities. Professional engineering expenses in the amount of \$46,000 were relocated from the Administration Division to the Streets Division. The mowing and landscaping expenses amounting to \$305,450 were also consolidated into the Streets Division. Expenses within the Public Properties Division decreased by 6.17% with the removal of Parks programming expenses, which were relocated to the newly created Parks Division of the Parks and Recreation Department.
- The FY2023 Budget brings back the Parks and Recreation Department and its three divisions, Administration, Recreation and Parks. The Administration Division includes the personal services expenses related to the Director of Parks and Recreation and an Office Assistant, NISRA dues, and the costs associated with the Summer Sunset Festival. Removing those expenses from the Recreation Division budget allows for a more accurate review of Recreation



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programming. When taken as a whole, the department's expenses reflect a 3.8% reduction from the FY2018 expenses when the department was last intact.

- Market conditions continue to influence expenses within the Management Information Systems (MIS) and Insurance and Tort budgets in FY2023. Increased costs for commodities and contractual services have resulted in a 13.1% increase in the MIS budget for a total of \$751,814. Similarly, Insurance and Tort has increased by 11.6% bringing the FY2023 total to \$620,300.
- Interfund Transfers in FY2023 include \$2,234,203 to be transferred to the Police Facility Construction Fund and another \$450,000 to be transferred into the Capital Improvement Fund to support critical projects.

Capital Improvement Fund

FY2023 revenues in the Capital Improvement Fund are projected to total \$1.8 million, while expenditures total \$2.5 million. An additional \$450,000 will be transferred from the General Fund to support the projects and expenditures planned for FY2023. Expenses related to capital buildings and structures total \$1.6 million, with capital improvements being another \$122,000 and the related professional services. Equipment costs are \$302,682, with hardware and software costs totaling \$50,000. Finally, new and replacement vehicles total approximately \$360,000.

Special Service Area Funds

The Village oversees 13 active special service area (SSA) funds. Each area has specific responsibilities. The primary common responsibilities include operation and maintenance of park facilities, storm water detention facilities, and parkway trees. Tax levy increases in the amount of 5% have been proposed for four of the SSAs where fund reserves are not adequate for current and future needs. This includes SSA #1, #2, #6 and #7. All remaining SSA's will remain with flat levies. Major projects planned include the Avalon Park playground replacement and new swing sets at Sunset Park.

Motor Fuel Tax Fund

MFT allotments in FY2023 remain stable at \$1,174,000. The resurfacing program includes specific streets based on their overall condition index with a target of keeping the Village's overall average condition index at or above 75. In addition to the annual resurfacing program, Pingree Road will be resurfaced using \$212,640 in funds from the Surface Transportation Program.

Lakes Restoration Fund

The completion of the Reach 12 restoration project in FY2023 will be the final project completed out of the Lake Restoration Fund. Which will bring us the Lake Dredging Project. The remaining fund balance of \$166,198 is expected to be transferred to the Capital Improvement Plan Fund in FY2024.

Police Facility Fund

One of the most significant construction projects in the Village will take place beginning in FY2023 with the planned construction of a new police facility. Based on current estimates, the project is expected to cost a total of \$27,000,000. The Village Board has approved a funding plan that includes transfers from General Fund



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reserves to draw down the bond issuance to \$14,100,000. Cash flow in the amount of \$1,098,000 annually from IMRF and Pension Fund savings will be used to pay the debt.

Water Operating and Maintenance Fund

The FY2023 estimated revenues reflect a 1% rate increase and are expected to be \$4,292,782. Expenses in the fund amount to \$3,607,689 and support the Village's multiyear plan to upgrade its wells. This will allow for continued safe and efficient drinking water production. Additional projects include the cathodic protection of Towers 1 and 2, the purchase of a mini excavator and a vac trailer, as well as a replacement for truck 87.

Airport Operating and Maintenance Fund

The FY2023 estimated revenues are expected to be \$3,130,805 and expenses are \$3,226,161. Projects expected to be completed in FY2023 include the following: Completion of the final phase of the runway reconstruction project which will replace all runway lighting with LED lights, replacement of the existing automated weather observation system with a certified unit that will allow aircraft to land in less favorable weather conditions, and replacement of the roof on the 8399 Pyott Road hangar.

Audience Participation

None.

Adjournment

A motion to adjourn meeting was made by Trustee Harlfinger and seconded by Trustee Dustin. All in favor by voice vote.

There being no further business to discuss, the Public Hearing for the Fiscal Year 2023 Proposed Budget was adjourned at 7:29 pm.

Submitted by,

A handwritten signature in black ink that reads "Nancy Sujet".

Nancy Sujet
Deputy Village Clerk