



# Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

PUBLIC HEARING: FISCAL YEAR 2024 PROPOSED BUDGET

DECEMBER 12, 2023

## Call to Order

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

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

Also present were Village Administrator Shannon Andrews, Assistant Village Administrator Trevor Bosack, Chief of Police Mary Frake, Finance Director Pete Stefan, Public Works Director Ryan McDillon, Director of Community Development John Svalenka, Parks and Recreation Director Randy Splitt, Village Attorney Brandy Quance, and Village Clerk Shannon DuBeau.

## Presentation

### Fiscal Year 2024 Proposed Budget

Presented by Village Administrator Shannon Andrews

The Fiscal Year 2024 Budget is presented as a balanced budget with revenues in the General Fund equal to expenditures in the amount of \$23,037,882. Revenues are conservatively estimated and nearly match the revenues from FY23.

The Village is very proud that the FY24 budget reflects the fourteenth consecutive year of a flat or reduced tax levy. New construction growth will be captured in FY24 for the third consecutive year. Base sales tax revenue is estimated to increase by 1.5% to be \$4,246,000, with an additional \$2,962,000 in home rules sales tax. Income tax is estimated to increase to \$4,868,000. Licenses and permits are down 3.8% from FY23 due to market conditions and the limited number of residential lots remaining.

FY24 expenditures are projected to be \$23,037,882, which is an 8.1% increase over the previous year; however, it should be noted that expenses in FY23 were lower due to numerous staffing shortages across multiple departments. In addition, FY24 will be the first full year with the change in the capital thresholds that shifts some expense from the Capital Improvement Fund back into the operating budgets of each department.

The FY24 budget includes a 3% 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 of up to an additional 1% is being proposed as an incentive for staff to reach for top performance standards.

- Expenditures in the Executive Department were 6.5% under budget in FY23 due to lack of attendance at the annual IML conference. The FY24 budget includes funds to allow full attendance at this conference. The largest expense remains the sales tax reimbursements to Culver's, which is projected to be \$37,220 in FY24.
- The Administration Department is expanding in FY24 to include the customer service team, which consists of two front counter associates and the Administrative Services Manager. The resulting impact is a 16.5%



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increase over budgeted salaries and professional development in 2023, bringing the total expenditures to \$1,218,695. In exchange, the Finance Department will see a 21% decrease in salaries and professional development, bringing total expenditures to \$805,101.

- Expenditures in Community Development were approximately 5% or \$40,845 under the budgeted amount in FY23. This was due to savings in personnel costs following the retirement of the Assistant Community Development Director. The FY24 budget includes expenditures in the amount of \$889,647. This increase is due to the costs associated with the finalization of the Comprehensive Plan.
- The Police Department realized an overall savings of approximately 5.4% in FY23 due to continued staffing shortages. FY24 anticipates another year of retirements and transition, with lower salaries for new officers being offset by an increase in overtime. An additional detective has been added to the Support Services Division. The department will be splitting the cost of a new bidirectional amplifier with the school district. They will also be investing in drone supplies and training for the officers to utilize the new equipment at Village events, such as the Summer Sunset Festival parade. FY24 expenditures reflect the projected 4% increase in salaries, bringing the total budgeted expense across divisions to \$9,438,414.
- Expenses within the Public Works Department increased by 12% to \$5,299,166 across all divisions and reflect changes to the Service Employees International Union Local 73 agreement approved in FY23. The Administration Division budget includes a vacant management position and the budget within the Streets and Public Properties Divisions includes an increase in part-time salaries for seasonal positions. The mowing and landscaping contract is expected to see an increase in FY24, as well as contractual costs for maintenance of equipment and infrastructure. Department projects include overhead door and heater replacements, exterior painting of Village Hall, and brick fascia tuckpointing.
- The Parks and Recreation Department budget includes \$1,187,580 in FY24 expenditures, which is a 2.4% increase over the FY23 estimate. Expenditures related to the Summer Sunset Festival have been moved to the Festival Fund, which is a new special revenue Fund in FY24. Funds have been included for the finalization of the Parks Master Plan and for increases in the part-time salaries for recreational programming.
- The FY24 budget for the Management Information Systems (MIS) division is \$678,395. This reflects a 10% reduction over the FY23 budget, which is due to the transition from an IT Manager to a Managed Service Provider environment. Despite these savings, sizeable increases can be found across the Village software subscriptions, which include an investment in Microsoft 365. This change will improve network security for the Village as well as increase productivity and collaboration across departments.
- The FY24 budget for Insurance and Tort has increased by approximately 20% to \$730,600 due to premium increases based on the Village's most recent five years of experience.
- Approximately \$1.5 million in FY24 surplus and \$1.1 million in unused debt service for the police facility will be transferred to the Capital Improvement Plan Fund. Another \$1,260 is to be transferred to the new LITH Police Explorers Post #1096 Fund for a total FY24 Interfund Transfer of \$2,667,045. This is the second, new, special revenue fund in FY24.



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## **CAPITAL IMPROVEMENT PLAN FUND**

FY24 revenues in the Capital Improvement Fund are projected to total \$3.9 million, while expenditures total \$2.4 million, leaving a fund balance of \$2.5 million. These funds will be held in anticipation of a \$5 million Woods Creek Dredging project planned for FY26. Expenditures for FY24 include \$999,600 in land improvements—including the Barbara Key Park Pond Dredging & Streambank Stabilization and two playground replacements, \$618,000 in vehicles, \$372,000 for professional services related to capital projects, \$269,000 in equipment costs for a roller and dam controls, \$105,000 in new software, and \$50,000 in building improvements.

## **SPECIAL SERVICE AREA FUNDS**

The Village oversees 13 active special service area (SSA) funds. The primary common responsibilities include operation and maintenance of park facilities, storm water detention facilities, and parkway trees. Tax levies will be increased in SSA #1, #2, #3, #4A, #6 and #7. All remaining SSAs will remain with flat levies. In FY24 and beyond, expenses associated with the maintenance of Sunset Park will be removed from SSA #2. In addition, bike path expenditures across all SSAs will now be absorbed by the General Fund. FY24 includes one capital project, which is the replacement of the Celebration Park playground.

## **MOTOR FUEL TAX FUND**

MFT allotments have been budgeted conservatively with a 3.9% reduction. Coupled with \$105,700 in interest income, the total projected revenue for FY24 is \$1,278,780. In addition to the annual resurfacing program, Phase I & II engineering for Albrecht Road will be done in preparation for the final Rebuild Illinois project scheduled for FY25. Phase II engineering for Crystal Lake Road will be completed to advance the project in the Surface Transportation Program.

## **POLICE FACILITY FUND AND DEBT SERVICE FUND**

One of the most significant construction projects in the Village will take place beginning in the spring of 2024 with the planned construction of a new police facility. Based on current estimates, the project is expected to cost a total of approximately \$26 million. The current fund balance is \$11.5 million, requiring a bond issuance of approximately \$14 million to complete the project. Cash flow in the amount of \$1.1 million annually from IMRF and Pension Fund savings will be used to pay the debt.

## **WATER OPERATING AND MAINTENANCE FUND**

The FY24 estimated revenues reflect a 1% rate increase and are expected to be \$4,192,129. Expenses in the fund amount to \$3,789,888 and support the Village's multi-year plan to upgrade its wells. Additional expenditures include a SCADA upgrade, tower control radio and processing upgrades, and the replacement of Truck #87.

## **AIRPORT OPERATING AND MAINTENANCE FUND**

Under a new airport staffing plan, the Airport Manager position has been reduced to part-time, while a new General Utility Worker I position was added to Public Properties. These changes have resulted in an overall savings to the Airport Fund in personal services and professional development.



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The FY24 estimated revenues have been reduced to \$2,675,264 due to limitations on the use of instrument approach through October of 2024. Expenses are estimated at \$2,768,295 and include the following capital projects:

- runway lighting replacement.
- AWOS or automated weather observation system upgrade.
- the replacement of the hangar roof at 8399 Pyott Road.

Trustee Dustin questioned the airport's profits and losses. Administrator Andrews stated that the net loss to the Airport Operating Fund was \$93,031 bringing the fund balance to \$600,434 for the start of the year.

Trustee Huckins asked if the Airport Manager position will remain a part-time role and how the budget will be affected. Administrator Andrews stated that the position will likely remain part-time due to the restructuring of duties. As a result, the fund is expected to grow by \$100k each year. The Superintendent of Public Properties will now oversee maintenance of the airport.

Trustee Huckins cited negative feedback regarding Public Works' capacity to perform the duties and asked if the issues will be addressed. Administrator Andrews noted that there has also been positive feedback, adding that the backlog of maintenance is receiving more attention under the current structure. While adjustments are being made to fueling operations, self-service is always an option.

Administrator Andrews stated that a tentative offer for the position of Airport Manager has been made to someone with knowledge and experience related to aviation. Trustee Huckins asked if the position will be salaried or paid hourly. Administrator Andrews stated that it will be exempt with a salary based on 22 hours per week.

## Audience Participation

None.

## Adjournment

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

There being no further business to discuss, the Public Hearing for the Fiscal Year 2024 Proposed Budget was adjourned at 7:39 pm.

Submitted by,

A handwritten signature in cursive script that reads "Shannon DuBeau".

Shannon DuBeau  
Village Clerk