

2022 Budget General Fund Overview

September 2021

Trustee Andrew Honig

Scott Niehaus, Village Manager

Tim Sexton, Director of Finance

Agenda

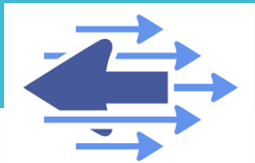
General Fund

- Revenue & Expenditure Assumptions
- Headwinds: Cautious Pessimism
- Tailwinds: 2021 Budget Updates
- Summary

Tailwind vs. Headwind



Multi-Year Financial Forecast “long-term” General Fund Revenue & Expenditure Assumptions



Multi-Year Financial Forecast Assumptions

Revenue Assumptions

3.0% Annual Growth

Property Tax (assumed max levy per statute)

Income Tax

Amusement Tax

Fees, fines, licenses, and permits

0.0% Annual Growth (subject to change based on trend analysis)

Sales, Use, & Places for Eating Tax

Utility Tax: Gas, Electric, Telecommunications

Expense Assumptions

Salary Progressions 4.0%

Health Insurance 7.5%

Retirement Benefits:

Illinois Municipal Retirement Fund 4.0%

Police & Fire Pension Funds 7.5%-9.0%

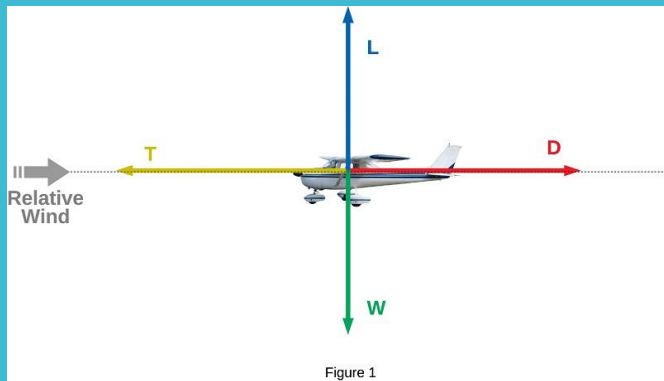
Technology Reserve 1.5%

Fleet Services 3.0% (includes fuel, labor costs, and parts)

All other costs 3.0%

Conservative Budgeting Policy adopted July 21, 2016 to provide stability for long-term trends. Individual years may vary.

Budget Summary



General Fund Only	2020 Actual	2021 Amended Budget	2021 Estimated Amount	2022 Budgeted	\$ Over/Under 2021 Budget	% Over/Under 2021 Budget
Revenues*	\$38,973,871	\$36,335,730	\$37,886,300	\$38,928,410	\$2,592,680	7.14%
Expenses**	\$35,090,575	\$36,874,537	\$36,610,395	\$38,032,617	\$1,158,080	3.14%
Projected Revenues/Expenses	\$3,883,296	(\$538,807)	\$1,275,905	\$895,793		

***Revenues:**

FY20 Actual includes \$2,296,668 CARES ACT \$ from County

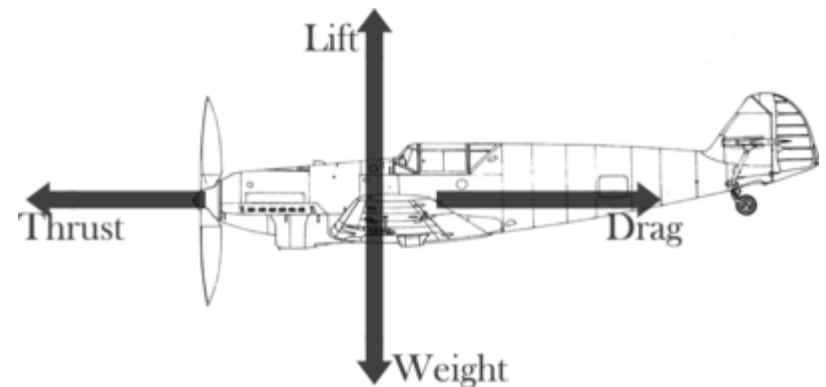
****Expenses:**

FY 21 Estimate and FY 22 Budget does not include transfers to "waterfall"

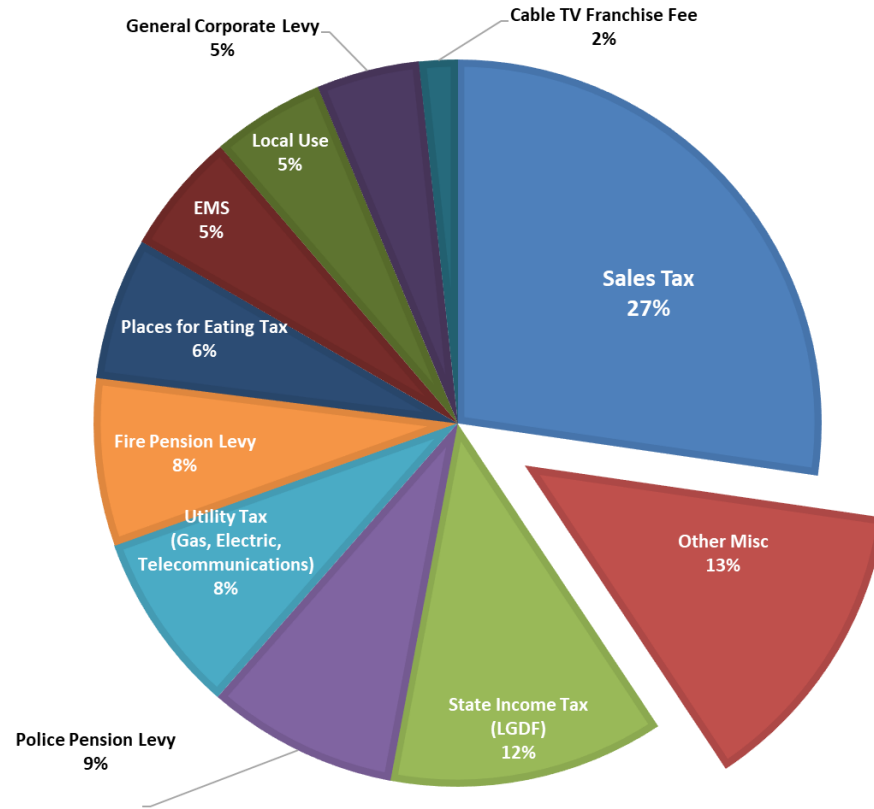
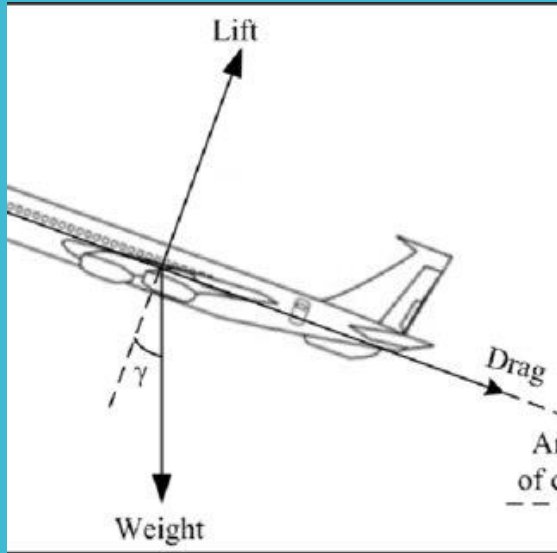
Discussion on ARPA funds after Department Head presentations

FY 2022 Revenue & Expenditure Assumptions

- Attachment A: Top 10 General Fund Revenues Assumptions
- Attachment B: Top 10 General Fund Expense Assumptions



Top 10 FY 2022 General Fund Revenues



	2020 Actual	2021 Amended Budget	2021 Estimated Amount	2022 Budgeted Revenues	\$ Over/Under 2021 Budget	% Over/Under 2021 Budget
Total Top 10 Revenues	\$31,229,780	\$31,615,000	\$33,002,590	\$33,716,060	\$2,101,060	6.65%
Total All GF Revenues	\$38,973,871	\$36,335,730	\$37,886,300	\$38,928,410	\$2,592,680	7.14%
Top 10 vs Total GF Rev	80.13%	87.01%	87.11%	86.61%	N/A	N/A

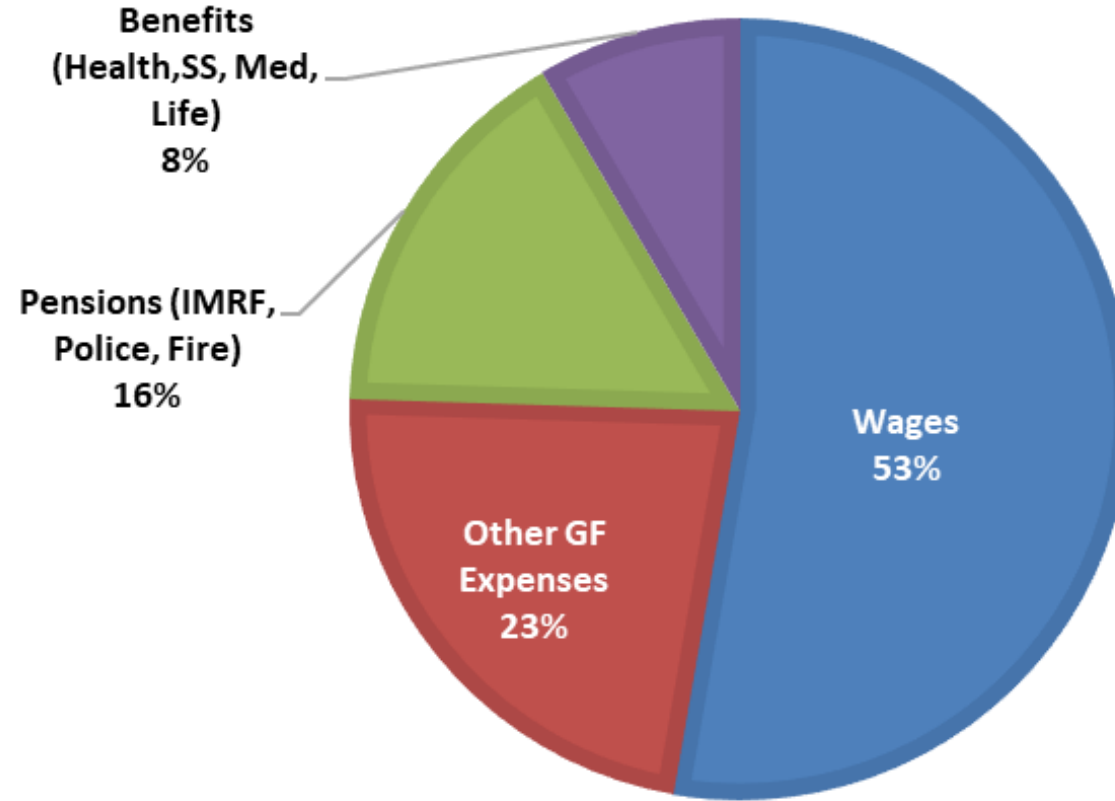
This chart shows that the Top 10 General Fund revenues make up 87.01% of all General Fund revenue sources.

Note: 2022 revenue growth is skewed in comparison to the 2021 Amended Budget which was impacted by the pandemic.

FY 2022 General Fund Wages, Pensions, Benefits



2022 GENERAL FUND EXPENSES



Wages, Employer Pension Contributions, and Benefits total 77% of all 2022 General Fund expenses.

Vacant Frozen Positions

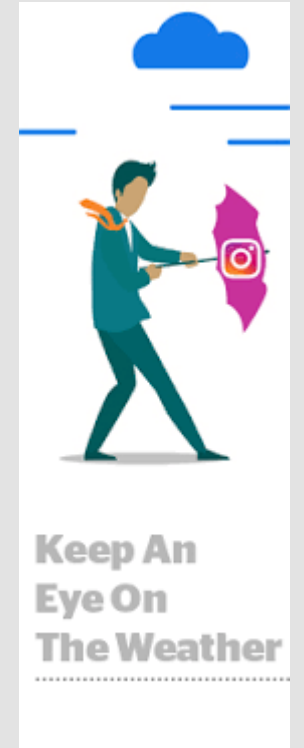
Total FY22
Projected
Savings =
\$455,213



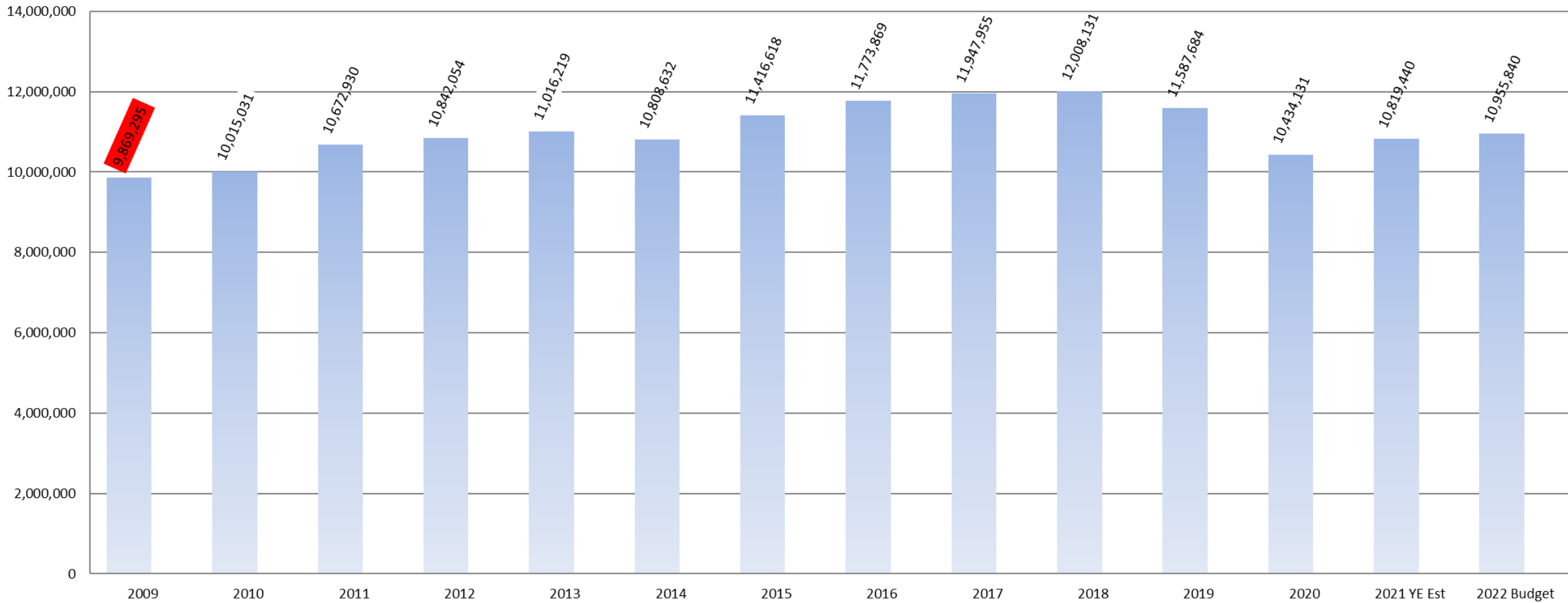
Position	FT/PT	% GF	Amount GF	% WS	Amount WS	Total %	Total Amount of Savings
Community Development							
Development Services Coop	PT			100%	9,645	100%	9,645
CD Intern - Planning	PT	100%	7,837			100%	7,837
CD Intern - Building	PT	100%	7,837			100%	7,837
Community Development Subtotal			15,674		9,645		25,319
Police Department							
Police Officer	FT	100%	140,570			100%	140,570
Police Officer	FT	100%	140,570			100%	140,570
Police Department Subtotal			281,139				281,139
Fire Department							
Firefighter	FT	100%	126,955				126,955
Fire Department Subtotal			126,955				126,955
Public Works							
WTWWP Coop	PT	50%	7,670	50%	7,670	100%	15,340
Seasonal GIS/Asset Mgt Intern	PT	50%	3,230	50%	3,230	100%	6,459
Public Works Subtotal			10,900		10,900		21,799
Total Savings			434,668		20,545		455,213

All positions listed have been frozen since the beginning of 2020 or earlier.

Headwinds -- Cautious Pessimism

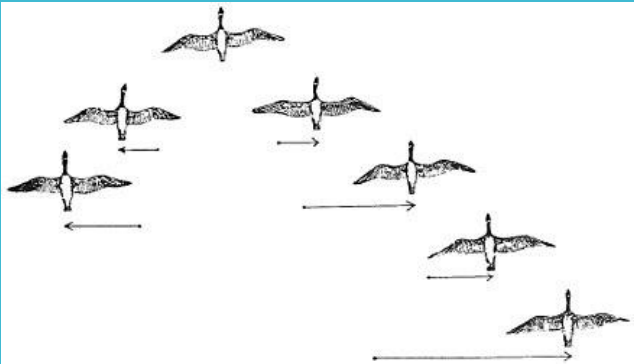


All Funds: Total Sales Tax Receipts



1. According to the U.S. Bureau of Labor Statistics, prices in Chicago, Illinois were 19.64% higher in 2021 versus 2009 (a \$1,938,599 difference in value). The actual growth in Sales Tax revenue from 2009 to 2021 is 9.63% (a \$950,145 difference in value).
2. Potential relocation of several top sales tax providers – Estimated revenue loss is \$1.3M per year

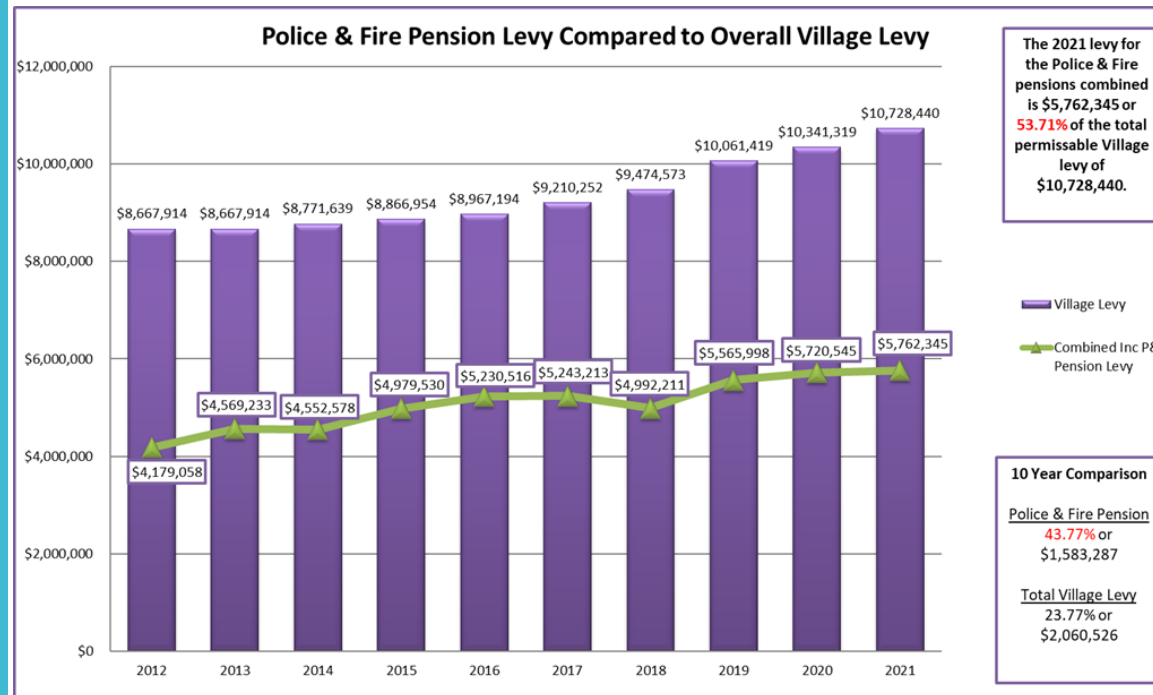
General Corporate Levy



Corporate Levy History of Funding

2017 - \$0
 2018 - \$0
 2019- \$1,009,422
 2020 - \$1,216,393.45
 2021 Est - \$1,354,370
 2022 Budget - \$1,773,490

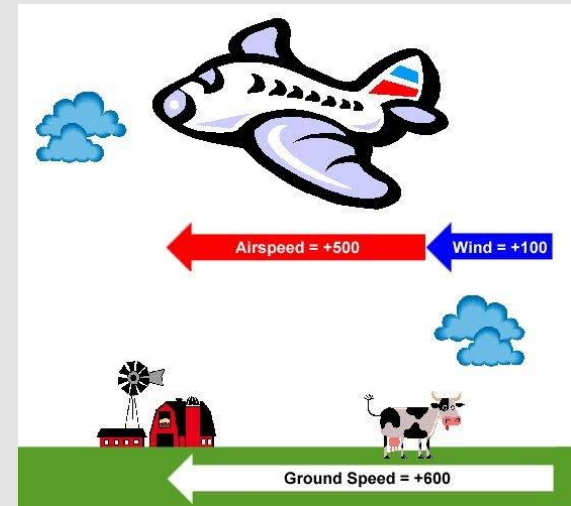
- Spikes in the actuarial required funding for Pensions or Liabilities reduces funding for the Corporate Levy (2017 & 2018 = \$0)
- Due to investment earnings and the 5 year smoothing policy for the required funding for liability, the Village was able to levy for the Corporate Levy the past few years.
- The Corporate levy is a top 10 revenue source for the General Fund.



- Overall tax levy increased since 2012 by \$2,060,526, or **23.77%**
- Combined levies for the Police and Firefighters' Pension Funds increased by \$1,583,287 or **43.77%** in the same period
- **76.84% of the property tax levy increase funds Police and Firefighters' Pension Funds.**

*2021 is the proposed levy amount prior to extension

Tailwinds 2021 Budget Updates



Year-End General Fund Revenues over Expenditures

2019=\$1,078,000
2020=\$2,076,193



	YE 2019/2020 Waterfall	Cumulative All Years
All Waterfall Reserve Funds		
Emergency	\$ -	\$ 1,833,040
Revenue	\$ -	\$ 1,283,128
Building	\$ 1,509,745	\$ 5,503,546
Pension	\$ 1,509,745	\$ 5,503,546
	\$ 3,019,489	\$ 14,123,259

Transferred \$3,019,489 to Building and Pension Reserve Funds in August 2021

	YE 2019/2020 Waterfall	Cumulative All Years
Pension Reserve Funding		
IMRF: 20%	\$ 301,948.90	\$ 900,709.12
Police Pension: 40%	\$ 603,897.80	\$ 1,801,418.24
Fire Pension: 40%	\$ 603,897.80	\$ 1,801,418.24
		\$ 4,503,545.59

COVID-19 Funds

FY20-FY22 =
\$8,414,437.93



- Village of Lombard received the following funds due to COVID-19
 - FY 2020
 - Coronavirus Relief Fund (DuPage County)= \$2,296,668 for public safety salaries
 - HHS CARES Provider Relief = \$43,257 for reduced ambulance revenues
 - FY 2021
 - FEMA Reimbursement \$51,776.61 for PPE
 - American Rescue Plan Act Relief (ARPA) Dollars \$3,011,368.16*
 - Expected in FY 2022
 - American Rescue Plan Act (ARPA) Relief Dollars \$3,011,368.16*

*Discussion on ARPA funds after Department Head presentations

Summary

Prepare for take-off

- Budget Timeline
 - F&A Committee reviewed Preliminary 2021 Budget on 9/13/2021
 - Budget Workshop 9/27/2021
 - Public Hearing on Budget and 1st Reading of Annual Budget Ordinance on 11/4/2021
 - 2nd Reading on 11/18/2021
- Questions

