

**MINUTES OF THE SPECIAL MEETING OF
THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF LOMBARD
HELD SEPTEMBER 28, 2020
VILLAGE HALL BOARD ROOM**

CALL TO ORDER AND ROLL CALL

The Special Meeting of the President and Board of Trustees of the Village of Lombard held on Monday, September 28, 2020 in the Board Room of the Lombard Village Hall was called to order by Village President Keith Giagnorio at 3:00 p.m., for the purpose of discussion of the proposed annual budget for FY 2021 and the Capital Improvement Program Overview for FY2021-FY 2030.

Present: President Giagnorio, Trustees Whittington, Puccio, Foltyniewicz, Militello, Ware and Honig

Absent: None

Quorum Present

Other Elected Official Present: Village Clerk Sharon Kuderna

Appointed Officials Present:

Village Manager Scott Niehaus

Assistant Village Manager Nicole Aranas

Director of Public Works Carl Goldsmith

Director of Finance Tim Sexton

Director of Community Development Bill Heniff

Chief of Police Roy Newton

Fire Chief Richard Sander

Assistant Director of Finance Jamie Cunningham

Trustee Reid Foltyniewicz started off the meeting by thanking the Board, the Finance & Administration Committee and staff for all their hard work. The Village Board and staff has a packet of material that was given prior to today's meeting.

Preparation for the FY 2021 budget began in November, 2019. The Public Hearing for the FY 2021 Budget is scheduled to be held at the Village Board of Trustees meeting on November 5, 2020 at 7:00 p.m. This will be the first reading of the Annual Operating Budget, the Tax Levy, and Water & Sewer Rates ordinances. The second reading of the Annual Operating Budget Ordinance and the Approval of the 2021-2030 Capital Improvement Plan (CIP) is scheduled to take place at the Village Board of Trustees meeting on November 19, 2020 at 7:00 p.m. The 2021 Proposed Budget will be recommended for Village Board of Trustee approval at that meeting. The Village of Lombard's FY 2021 fiscal year runs from January 1 through December 31, 2021.

DISCUSSION - General Fund Revenue & Expense Overview and Department Budget Presentations.

Trustee Reid Foltyniewicz presented 2021 Budget General Fund Overview 2021 Budget Projections due to Covid 19 (compares to 2020 Budget).

ATTACHMENT A: Top 10 FY21 General Fund Revenues Assumptions							
	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	Assumptions/Comments
Sales Tax	\$11,240,054	\$11,099,620	\$8,586,210	\$9,989,660	(\$1,109,960)	-10.00%	Budget projections (FY21 and beyond) do not include increased sales/places for eating tax for new developments. Projection does include \$90K for Cannabis Sales Tax and Bucky's Agreement with Glen Elyn. Conservative estimates through the end of the year are 70% of budget for each month, as it is not clear if further shutdowns will be done due to increasing COVID numbers in Illinois.
State Income Tax (LGDF)	\$4,656,003	\$4,227,980	\$3,282,380	\$4,227,980	\$0	0.00%	The 5-10% reductions in previous years have been eliminated in the state's 2021 fiscal year, so LGDF will be fully funded starting in July. Unemployment is currently high and while the federal stimulus of an additional \$600 per week has kept income tax strong, as those benefits are taxable, it is undetermined if this will continue through the rest of the year. In addition, the state's budget challenges continue to be a concern for this revenue.
Utility Tax (Gas, Electric, Telecommunications)	\$3,571,216	\$3,650,180	\$3,077,060	\$3,354,820	(\$295,360)	-8.09%	The era of lower electricity prices is ending, and there will be more significant high single digit increases for the next several years due to the increases in the cost of electricity and capacity charges. Therefore, as electricity becomes more expensive, people will start to conserve more which will negatively impact the revenue. Also, there continues to be a decline in Telecommunications Tax receipts, which is down from \$3 million 12 years ago. It is likely to continue to decrease in the near term, although there should be a bottom at some point, probably around \$1M.
Police Pension Levy	\$2,838,753	\$3,049,760	\$3,051,890	\$3,189,450	\$139,690	4.58%	Tax levy requests per Actuarial Valuation Report for the year ending 12/31/2019. This revenue is requested in the 2020 tax levy. Both the Police and Fire Pension funds increased because the Tier II benefit changes effective January 1, 2020 under IL Public Act 101-610 increased the benefit obligation.
Fire Pension Levy	\$2,147,856	\$2,509,600	\$2,514,110	\$2,525,710	\$16,110	0.64%	The total amount of PFE Tax revenue collected in 2019 was \$3.3M. \$2.2M was allocated to the General Fund and the \$1.1 M in the Long Range Plan Fund. The 2021 Budget projects a total decrease of \$603K (18%) due to restaurants permanently closing due to COVID-19. The entire 2021 projected PFE Tax revenue of \$2.7M is needed to help balance the General Fund budget.
Places for Eating Tax	\$2,172,929	\$2,419,680	\$1,958,170	\$2,720,000	\$300,320	12.41%	

ATTACHMENT A: Top 10 FY21 General Fund Revenues Assumptions							
	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	Assumptions/Comments
EMS	\$1,941,592	\$1,980,000	\$1,450,000	\$1,980,000	\$0	0.00%	Based on a actual revenue, no changes are assumed for FY21 EMS revenue.
Local Use	\$1,441,784	\$1,437,580	\$1,437,580	\$1,550,000	\$112,420	7.82%	We have seen this revenue increase fairly significantly in the last several years, mainly due to taxes collected on increased internet sales. The State started applying Use Tax to online sales in October 2018. Beginning January 1, 2020, online retailers will need to collect Sales Tax including locally imposed taxes.
General Corporate Levy	\$1,009,423	\$1,112,000	\$1,228,750	\$1,367,380	\$255,380	100.00%	This year the General Corporate levy primarily increased due the CPI increase from 1.9% for 2019 to 2.3% for 2020 and projected new growth increase of 1.31%. The Police and Fire Pension funds are expected to continue to increase as the markets change and the General Corporate levy will once again be eliminated.
Cable TV Franchise Fee	\$739,578	\$730,000	\$730,000	\$710,000	(\$20,000)	-2.74%	Projected revenue is based on current year collections. The Village in the past received approximately \$800,000 per year for Cable TV Franchise Fees. There have been recent developments in this area that suggest this revenue will likely decline fairly rapidly in the next several years. This is due to the cable companies switching from Cable TV packages to Streaming TV packages, which are delivered via the internet and not subject to this fee.
Total Top 10 Revenue	\$31,759,188	\$32,216,400	\$27,316,150	\$31,615,000	(\$601,400)	-1.87%	
Total All GF Revenue	\$37,281,050	\$37,320,780	\$31,037,260	\$36,335,730	(\$985,050)	-2.64%	
Top 10 vs Total GF R	85.19%	86.32%	88.01%	87.01%	N/A	N/A	

ATTACHMENT B: Top 10 FY21 General Fund Expense Assumptions							
Non Discretionary	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Expenses	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	Assumptions
Fleet Services O&M	\$ 836,438	\$ 942,660	\$ 942,660	\$ 911,370	(\$31,290)	-3.32%	Based upon an analysis by division of fleet O&M costs, we project an 8.53% decrease in fuel costs, 3.71% increase in labor costs, and 0.24% decrease for parts.
Technology Reserve	\$ 518,470	\$ 484,630	\$ 484,630	\$ 533,520	\$48,890	10.09%	New technology is paid for by individual funds. Each fund annually contributes to the Technology Reserve account for replacement of the specific equipment at the end of the equipment's useful life. Replacement cost and useful life for each item is re-evaluated annually. This re-evaluation may change the annual amounts that each fund contributes.
Legal Services	\$ 425,901	\$ 376,000	\$ 429,000	\$ 436,450	\$60,450	16.08%	Cost are based on prior year actuals and may vary based on legal matters that occur during the year.
Electric	\$ 234,700	\$ 249,800	\$ 249,800	\$ 249,800	\$0	0.00%	No significant change in pricing compared to prior year.
Benefits	\$ 232,775	\$ 209,410	\$ 197,970	\$ 206,495	(\$2,915)	-1.39%	Other Benefits include life insurance, uniforms, and tuition reimbursement. (Does not include IMRF, SS, Med)
	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Expenses	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	% of Total General GF
Non-Discretionary Exp	\$ 29,754,864	\$ 31,190,680	\$ 30,086,980	\$ 31,214,370	\$ 23,690	0.08%	84.65%
Discretionary Exp	\$ 4,573,440	\$ 5,177,822	\$ 4,718,300	\$ 4,730,597	(\$447,225)	-8.64%	12.83%
Transfers to Waterfall Funds	\$ 1,500,000	\$ -	\$ -	\$ -	\$0	0.00%	0.00%
Economic Incentive	\$ 251,715	\$ 267,800	\$ 267,800	\$ 267,800	\$0	0.00%	0.73%
Reimbursable Expenses (COBRA, Retiree Health, misc.)	\$ 610,513	\$ 684,480	\$ 691,600	\$ 661,770	(\$22,710)	-3.32%	1.79%
Total General GF Expense	\$ 36,690,532	\$ 37,320,782	\$ 35,764,680	\$ 36,874,537	\$ (446,245)	-1.20%	100.00%

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% annual growth*
-	Sales, Use, & Places For Eating taxes
•	0.0% annual growth for Utility Tax
-	Gas
-	Electric
-	Telecommunications
* Subject to change based on trend analysis	
Expenditure Assumptions	
•	Increases
▪	Salary progressions: 4%
▪	Health insurance: 7.5%
▪	Retirement benefits:
▪	IMRF 4%
▪	Police & Fire Pension 7.5-9.0%
▪	Technology Reserve: 1.5%
▪	Fleet Services: 3%
	(Includes fuel, labor costs, and parts)
▪	All other costs: 3%

2021 Budget Projections Due to COVID-19 (Compares to 2020 Budget)

Revenues

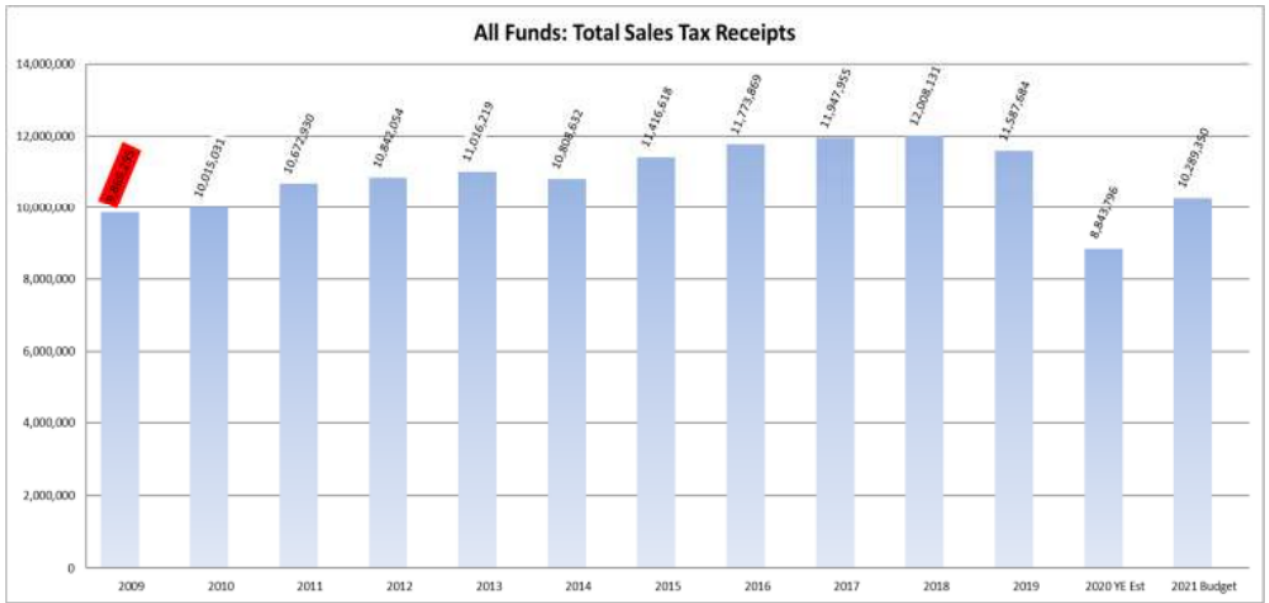
- 7.82% Local Use Tax
- 3.52% Property Tax (assumed max levy per statute)
- 0% Income Tax
- -8% Utility Taxes (gas, electric, telecommunications)
- -10% Sales Tax
- -7% Fees, fines, licenses, and permits
- -18% Places for Eating Tax
- -40% Amusement Tax
- **-\$2,186,381 Total**

Note: 2021 includes new revenue for Local Cannabis Sales Tax (\$270K), Cannabis Use Tax (\$20K), and Sales Tax from State on Cannabis (\$70K)

Expenses

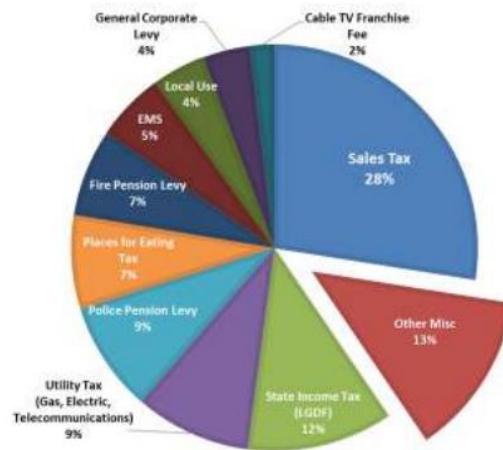
- -0.49% Wages (projected wage increases for 2021 are 1-2.5% based on union contracts, and vacant positions)
- -3.32% Fleet Services O&M (fuel, labor, parts)
- -6.28% Health insurance (type of plan and # employees enrolled)
- -8.98% IMRF Pension Fund (based on annual rate and # employees)
- 0.64% Fire Pension Fund (based on 12/31/19 actuary report)
- 4.58% Police Pension Fund (based on 12/31/19 actuary report)
- 4.79% DuComm (emergency dispatch)
- 10.00% Technology Reserve (re-evaluated annually)
- **-\$105,835 Total**

See Attachments A&B for additional information



Director of Finance Tim Sexton said we have not received the Cares Act County money yet but pretty sure we will be accepted.
 Village Manager Scott Niehaus – for the sale of 101 S. Main – Finance Committee suggest we take \$500,000 from the sale and put in the Economic Development Fund.

Top 10 FY 2021 General Fund Budgeted Revenues



	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget
Total Top 10 Revenues	\$31,759,188	\$32,216,400	\$27,316,150	\$31,615,000	(\$601,400)	-1.87%
Total All GF Revenues	\$37,281,050	\$37,320,780	\$31,037,260	\$36,335,730	(\$985,050)	-2.64%
Top 10 vs Total GF Rev	85.19%	86.32%	88.01%	87.01%	N/A	N/A

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

FY 2020 YE EST & FY 2021 BUDGET UPDATE

	As of 9/24/2020	FY 2020 Monitoring:
FY 2020 YE Est Deficit	(4,727,420)	Retail and Sales Tax
FY 2021 Projected Budget Deficit	(538,807)	Economy
Total Estimated Deficits for Two years	(5,266,227)	Places for Eating Tax
Anticipated CARES Act \$ from County	2,296,668	FY 2021 and Beyond
Remaining Deficit to Cover (if negative)	(2,969,559)	Potential Future Revenue Additions reducing the amount of reserves needed to cover deficit
Potential Village Funds to Address Deficit in Order of Application:		Potential Future Expense Cuts
2019 Revenues Over Expenditures	1,078,000	Position Reductions or Delayed Hiring
Revenue Stabilization Fund	1,283,000	Level of Service Reductions
Proceeds from Sale of 101 S. Main St.	1,000,000	Wage Concessions
Remaining Deficit to Cover (if negative)	391,441	Overall 2021 Expenditures are \$446,245 less than 2020 budget Refer to Attachment B: 2021 Expense Assumptions
Potential Other Village Funds Available to Address Deficit		
Emergency Expense Reserve Fund	1,833,000	
Building Reserve Fund	3,369,000	
Total Potential Other Village Funds Available to Address	5,202,000	

Proceeds from Sale of 101 S. Main St total \$1.5M. However, per recommendation from the Finance and Administration Committee, \$500,000 was placed in the Economic Development Fund.

The Reserve Funds highlighted in orange had a separate intended purpose; the intent will be to try and maintain these reserve funds for their intended purpose if at all possible; this will be accomplished if revenues come in better than anticipated and we are able to make further reductions to expenditures.

The expenditure projections in Green may change based on additional information gathered this fall.

Director of Finance Tim Sexton – Flat 2021 budget – 5% of the state that was eliminated. The unemployment stimulus will fall for a decrease this year.
 Village Manager Scott Niehaus – Budget 4.2 million – 1/9 of our budget. If fair tax does not pass – the general government will pass a 1% increase. from 4.9 to 5.9. We need to defend LBGF. None of that money will come to us. We would need to go on a defense.
 Trustee Reid Foltyniewicz – Eating Tax – Covid19 has taken a reduction on this. Revenue assumptions EMS will stay the same. Less calls because of Covid-19.

Vacant Frozen Positions

POSITION			FUND INFORMATION					Total Amount of Savings
Position	FT/PT	Date Vacant	% GF	Amount GF	% WS	Amount WS	Total %	
Finance								
Administrative Coordinator	FT	8/3/2020	100%	37,311			100%	37,311
Finance Subtotal					37,311		-	37,311
Community Development								
Building/Electrical Inspector	PT	5/8/2020	100%	37,604			100%	37,604
Development Services Coop	PT	NA			100%	9,645	100%	9,645
CD Intern	PT	NA	100%	7,837			100%	7,837
CD Intern	PT	NA	100%	7,837			100%	7,837
Community Development Subtotal					53,278		9,645	62,924
Police Department								
Police Officer	FT	10/4/2019	100%	172,540			100%	172,540
Police Officer	FT	1/24/2020	100%	167,666			100%	167,666
Front Desk Clerk	FT	11/3/2019	100%	73,512			100%	73,512
Front Desk Clerk	PT	10/7/2019	100%	27,640			100%	27,640
Police Department Subtotal					441,357			441,357
Fire Department								
Firefighter	FT	4/6/2020	100%	118,675				118,675
Fire Department Subtotal					118,675			118,675
Public Works								
WTWWP Coop	PT	NA	50%	7,218	50%	7,218	100%	14,436
Seasonal GIS/Asset Mgt Intern	PT	NA	50%	3,230	50%	3,230	100%	6,459
Public Works Subtotal					10,447		10,447	20,895
				TOTAL	661,069		20,093	681,162

Wages – We received the decrease because of vacant spots and newer employees. From hiring freeze we saved \$681,162.

Emergency Dispatch – DuComm 31% had in Reserves agreed to one quarter that they would take care.

Trustee Bill Ware – Wages for 2021 doing some kind of freeze or talking to the unions. Have we considered that?

Village Manager Scott Niehaus – We took approach by not hiring new employees. Our CARES money from County did come through. Revenue was better than we thought, came in at 85%. Other towns are doing a wage adjustment. We have asked our employees to do a lot more to cover the vacancies. Hopefully keeping that again for next year. Keeping at 2% but no merit increases. Other towns are going from 1.5 – 2.0%. We are going to put a vote on this in November. If we are out of line we will come back for a vote.

Trustee Reid Foltyniewicz – Legal services increase because of Weston and other stores in town.

Thank you to the Board, Staff and Finance Committee. Process a lot smoother and easier.

DISCUSSION - Legislation and Executive Budget Overview

Assistant Village Manager Nicole Aranas – gave presentation

Legislative Dept. proposed budget overall decrease of \$74,450 (-12.65%) ♦

General Fund decrease \$43,980 (-11.14%) ♦ Hotel/Motel Fund decrease

\$30,470 (-15.71%) v Executive Dept. proposed budget overall decrease of

\$8,548 (-0.41%) ♦ General Fund increase \$63,160 (+5.63%) ♦ Hotel/Motel Fund

decrease \$50,310 (-12.77%) ♦ Liability Risk Management Fund decrease

\$21,398 (-3.71%)

Village of Lombard Legislative FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Legislative Department	490,360	588,580	495,250	514,130	(74,450)
President & Board of Trustees	123,851	131,340	129,440	129,220	(2,120)
Village Clerk & Records Admin	180,556	172,290	173,730	172,430	140
Board of Fire & Police Commission	32,626	91,020	47,420	49,020	(42,000)
Museum/Peck House/Main St Cemetery	153,327	193,930	144,660	163,460	(30,470)
<i>Year to Year Increase</i>		<i>20.03%</i>	<i>-15.86%</i>	<i>-12.65%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: • Legislative Department - Overall decrease of \$74,450 when compared to FY20 (-12.7%) • President and Board of Trustees • Overall reduction of \$2,120 (-1.6%) • Training and travel reduced \$500 • Misc. contractual obligations (internet) reduced \$1,400 • Village Clerk and Records • Overall increase of \$140 (+0.08%) • Overall changes are nominal • Personnel wage and benefits account for any increases • Board of Fire & Police

Commission • Overall reduction \$42,000 (-46.1%) • Other professional/technical services reduced by \$39,500 • 2020 processes – FD Lt., PD Lt., PD Sgts. • 2021 processes – FD BC, FD firefighters • Museum/Peck House/Cemetery • Overall decrease of \$30,470 (-15.7%) • Training and travel reduction \$4,000 • Deferral of roof replacement project reduction \$24,990

Village of Lombard Executive FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Executive Department	2,166,742	2,091,160	2,011,830	2,082,612	(8,548)
Admin Management	420,909	413,040	427,890	423,460	10,420
Human Resources	330,895	337,620	329,660	330,260	(7,360)
Legal Services	425,278	370,350	425,000	430,450	60,100
Communications	416,831	394,050	318,720	343,740	(50,310)
Risk Management Admin	510,439	520,180	454,640	497,092	(23,088)
Employee Services Liability	62,391	55,920	55,920	57,610	1,690
<i>Year to Year Increase</i>		<i>-3.49%</i>	<i>-3.79%</i>	<i>-0.41%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: Executive Department – Overall decrease of \$8,548 when compared to FY20 (-0.4%) • Legal Services • Overall increase of \$60,100 for legal services • Human Resources • Overall decrease of \$7,360 (-2.2%) • Wage and benefits costs for HR Payroll Specialist • Training and travel reduction (\$2,330) • Administration • Overall increase of \$10,420 (2.5%) • Personnel wage and benefits • Communications • Overall reduction of \$50,310 (-12.76%) • Pride postage eliminated \$10,190 • Pride printing eliminated \$7,920 • Transfer to general fund (5% of revenue) reduced \$43,290 • Liability Insurance Fund Administration • Overall reduction of \$23,088 (-4.4%) • Other professional/technical services reduced \$12,578 • Insurance claims reduction (general liability, property, workers compensation) \$11,980 • Employee Services • Overall increase of \$1,690 (3.0%) • Misc. contractual obligations and other professional/technical services

Elimination of the printed pride. Final cost of 17,000. Have gotten to social media and website information so able to eliminate the printed version.

Village Manager Scott Niehaus presented the Hotel Motel Tax Discussion: 12.5% and 25% Use of Economic Development Funds.

Hotel Motel Tax Discussion: 12.5% Use of Economic Development Funds

FY 2020 -- 12.5%			
Hotel/Motel Fund Balance 12/31/2019			
		\$	985,066
FY2020	Budget 1/1/2020	Year-End Estimate 9/1/2020	Explanation
Revenue	\$ 2,043,330	\$ 612,420	Revenue for FY 2020 projects to be approximately 30% of normal due to reduction in travel and large events at hotel properties.
Expense	\$ 2,010,540	\$ 1,159,520	Expenses significantly reduced for two reasons. First is impact on LPFC property where 100% of tax is provided by agreement for debt service on property. This expense projects to be approximately \$200,000 down from \$800,000. Second reason is cancellation of large events including Lilac Parade, Cruise Nights, Fireworks, etc. that reduced need for OT and other related expenses.
Difference	\$ 32,790	(\$547,100)	
Use of 12.5% Economic Development Fund		\$ 101,470	Current budget sets aside 25% of hotel tax revenues for use as economic development incentives per recent state legislation. However, we can choose to use it for traditional hotel/motel expense. Use of 12.5% would allow \$101,470 to be applied. Option exists to allocate the other 12.5% if the Village Board chooses to do so. The thought here is to at least keep some money set aside for possible incentive if the right project proposal was presented.
*Use 45.24% of Beginning Fund Balance		\$ 445,630	*Projected deficit for FY 2020 is significant due to impact of COVID. If supported by Village Board, hotel/motel reserves could be allocated to make up shortfall.
Projected Fund Balance 12/31/2020			
		\$	539,436

Hotel Motel Tax Discussion: 12.5% Use of Economic Development Funds

FY 2021 -- 12.5%			
Hotel/Motel Projected Fund Balance 12/31/2020			
		\$	539,436
FY2021	Budget 1/1/2021	Explanation	
Revenue	\$ 884,000	Revenue for FY 2021 projects to be 45% of normal due to lagging impacts of travel and large events at hotel properties.	
Expense	\$ 1,366,910	The expense projection for FY 2021 is 67% of normal due to decreased amount of tax collected at LPFC property which subsequently reduces the amount that needs to be transferred via agreement. This amount still assumes all historical annual events take place at this time.	
Difference		(\$482,910)	
Suggested Option to Address Deficit			
		Explanation	
Use of 12.5% Economic Development Fund	\$ 147,000	Use of 12.5% of revenue for hotel/motel budget instead of for economic incentives. Option exists to allocate the other 12.5% if the Village Board chooses to do so. If this was the case, the amount would be \$294,000.	
Cancellation or Non-Funding of Events on Case by Case Basis	(\$254,030)	Reduction of \$254,000 assumes that some events will be cancelled on their own due to lack of interest or lingering COVID impacts. However, under this scenario it anticipates reduction in annual grants for other events, reduction in Village programs (Civil War re-enactment, Boosters, Cruise Nights, 4 th of July etc.). This would be done on a case by case basis and NOT deemed to be a permanent reduction.	
Use 15.17% of Beginning Fund	\$ 81,881	Use of fund balance from beginning of year to cover projected deficit.	
Projected Fund Balance 12/31/2021			
		\$	457,556
End of year fund balance under this scenario would be \$457,556. However, depending on direction of Village Board regarding use of 25% economic development "set aside" funds and approach to reduction in events, the amount of reserves required may fluctuate.			

Hotel Motel Tax Discussion: 25% Use of Economic Development Funds

FY 2020 -- Alternate 25% Scenario			
Hotel/Motel Fund Balance 12/31/2019			
		\$	985,066
FY2020	Budget 1/1/2020	Year-End Estimate 9/1/2020	Explanation
Revenue	\$ 2,043,330	\$ 612,020	Revenue for FY 2020 projects to be approximately 30% of normal due to reduction in travel and large events at hotel properties.
Expense	\$ 2,010,540	\$ 1,159,520	Expenses significantly reduced for two reasons. First is impact on LPFC property where 100% of tax is provided by agreement for debt service on property. This expense projects to be approximately \$200,000 down from \$800,000. Second reason is cancellation of large events including Lilac Parade, Cruise Nights, Fireworks, etc. that reduced need for OT and other related expenses.
Difference	\$ 32,790	(\$547,500)	
Use of 25% for H/M Fund instead of Economic Development Fund		\$ 203,340	Current budget sets aside 12.5% of hotel tax revenues for use as economic development incentives per recent state legislation allows up to 25%. However, we can choose to use it for traditional hotel/motel expense. Use of 25% would allow \$203,340 to be applied.
*Use of 34% Beginning Fund Balance		\$ 344,160	*Projected deficit for FY 2020 is significant due to impact of COVID. If supported by Village Board, hotel/motel reserves could be allocated to make up shortfall.
Projected Fund Balance 12/31/2020			
		\$	640,906

Hotel Motel Tax Discussion: 25% Use of Economic Development Funds

FY 2021 -- Alternate 25% Scenario			
Hotel/Motel Projected Fund Balance 12/31/2020			
		\$	640,906
FY2021	Budget 1/1/2021		Explanation
Revenue	\$ 884,000		Revenue for FY 2021 projects to be 45% of normal due to lagging impacts of travel and large events at hotel properties.
Expense	\$ 1,366,910		The expense projection for FY 2021 is 67% of normal due to decreased amount of tax collected at LPFC property which subsequently reduces the amount that needs to be transferred via agreement. This amount still assumes all historical annual events take place at this time.
Difference		(\$482,910)	
Suggested Option to Address Deficit			
			Explanation
Use of 25% for H/M Fund instead	\$ 294,000		Use of 25% of revenue for hotel/motel budget instead of for economic incentives.
Cancellation or Non-Funding of Events on Case by Case Basis		(\$254,030)	Reduction of \$254,000 assumes that some events will be cancelled on their own due to lack of interest or lingering COVID impacts. However, under this scenario it anticipates reduction in annual grants for other events, reduction in Village programs (Civil War re-enactment, Boosters, Cruise Nights, 4 th of July etc.). This would be done on a case by case basis and NOT deemed to be a permanent reduction.
Use of Beginning Fund Balance	\$ -		Use of fund balance from beginning of year to cover projected deficit.
Projected Fund Balance 12/31/2021			
		\$	706,026
End of year fund balance under this scenario would be \$706,026 and could be used in lieu of reduction in events if so directed by the Village Board.			

Village Manager Scott Niehaus - We think Hotel/ Motel will bounce back. Still think first half of next year will still be low – not ready to come back. We would

not slash those without running through committees and boards. We do know residents will want that to come back.

Trustee Anthony Puccio – How long did it take to get to this point?

Director of Finance Tim Sexton – Many years.

Trustee Reid Foltyniewicz – why 25% instead of 12.5%

Village Manager Scott Niehaus – Lessons the pressures. Larger amount in the Hotel Motel Reserves.

Trustee Dan Militello – so keeping more would be better?

Village Manager Scott Niehaus: We don't know what the world will be next summer and if people will be coming out.

Board all agreed to the 25%.

Trustee Anthony Puccio – The \$500,000 from 101 S. Main going to Economic Development will be best

Scott- you will vote on in November. Policies that will land on trustee Honig's committees. Heard from Weston people are staying cause closer to downtown. Concludes Assistant Village Manager Nicole Aranas' presentation.

Discussion - Finance Department

Finance Director Tim Sexton went over presentation

General Services FY21 proposed budget for all funds is \$4,719,110 which is a decrease of \$440,310 (8.55%) compared to FY20 budget ♦ General Fund decreased \$289,830 (10.40%) ♦ Hotel Motel Fund decreased \$307,040 (40.00%) ♦ Business District #1 (part of Yorktown) no change ♦ Technology Reserve increased \$161,210 (79.95%) ♦ Water & Sewer Operating Fund decreased \$4,650 (0.77%) v Economic Incentives are budgeted in the General Fund in General Services and are based on projected sales tax revenues. The projected 2021 Budget is \$267,800 which is the same as the 2020 Budget ♦ Mariano's/Bradford ♦ Thornton's

Village of Lombard General Services FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
General Services	6,182,865	5,150,420	3,571,530	4,710,110	(440,310)
General Services- General Fund	3,509,323	2,480,950	1,651,270	2,237,110	(243,840)
LPFC Sales/PFE Tax Rebate	268,030	306,630	170,000	260,640	(45,990)
LPFC Hotel/Motel Tax Rebate	727,952	767,600	276,340	460,560	(307,040)
Business District #1	777,725	789,450	789,450	789,450	-
Technology Reserve	326,692	201,640	159,260	362,850	161,210
General Services - Water/Sewer	573,142	604,150	525,210	599,500	(4,650)
<i>Year to Year Increase</i>		<i>-16.70%</i>	<i>-30.66%</i>	<i>-8.55%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: v General Services –General Fund decreased \$243,840 ♦ COBRA Health Insurance (reimbursable expense) decreased \$25,170 ♦ Contingencies decreased \$92,680 ♦ Telephones decreased \$108,040, removed old low baud circuits ♦ Reduced Transfer to Technology \$44,430, moved the transfer for emergency fire equipment to EMS cost center for GEMT reporting v LPFC Rebates were reduced based on projected tax collections (based on actual sales) v Technology Reserve increased \$161,200 (based on replacement schedules) ♦ \$42,210--Fire Department Stryker Cot &

Power Load System replacement ♦ \$140,000—desk phone and phone server replacement

Finance Department’s FY21 proposed budget for all funds is \$2,376,540 which is an increase of \$114,450 (5.06%) compared to FY20 budget (76.68% of total increase is W&S Operating Fund) ♦ General Fund increased \$23,660 (1.40%) ♦ Hotel/Motel Tax Fund increased \$2,880 (6.73%) ♦ Water & Sewer Operating Fund increased \$87,910 (16.74%)

**Village of Lombard Finance Department
FY21 Budget Request Summary**

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Finance Department	2,132,539	2,262,090	2,296,080	2,376,540	114,450
Admin & Treasury Mgmt	461,310	482,010	469,560	390,660	(91,350)
Accounting & Financial Services	322,478	340,590	363,170	373,960	33,370
Customer Service/Licensing	68,091	69,230	71,760	27,100	(42,130)
Information Technology	774,832	802,260	797,450	926,030	123,770
Finance Village Events	52,658	42,780	42,780	45,660	2,880
Utility Billing & Account Maintenance	453,170	525,220	551,360	613,130	87,910
<i>Year to Year Increase</i>		<i>6.07%</i>	<i>1.50%</i>	<i>5.06%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: ♣ Admin & Treasury Mgmt. decreased \$91,350 ♣ \$79,380—eliminated the Finance Admin Coordinator position ♣ Eliminated Open Gov contract (\$6,650) and GFOA Budget Award application fee (\$430) ♣ Accounting & Financial Services—salaries increased \$15,810 and health insurance increased \$23,000 ♣ Information Technology includes \$100,000 increase for security equipment and \$48,000 for ThinkGard Backup Disaster Recovery Annual Support/Maintenance ♣ Utility Billing & Account Maintenance increased \$87,910 ♣ Salaries and benefit increased \$60,640 (allocated 90% of salary and benefits for Customer Service Representatives in 2021 vs. 50% in 2020) ♣ Credit card and bank fees projected increase of \$33,360 based on current year expenses

General Service – no questions

Finance Budget Overview – We have been holding off on penalties but would like to resume again in December or January. We will work with people if they call.

No Questions from the board

Discussion - Development Department

Community Development Director Bill Heniff – gave presentation

Community Development’s FY21 proposed budget for the General Fund is \$1,681,710 which is a decrease of \$24,050 (1.41%) compared to the FY20 budget.

**Village of Lombard Community Development Department
FY21 Budget Request Summary**

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Community Development Department	1,697,548	1,705,760	1,787,450	1,681,710	(24,050)
Community & Economic Development Admin	398,938	391,520	411,530	277,760	(113,760)
Planning Services	218,612	229,510	213,350	341,380	111,870
Code Administration	160,318	158,500	191,150	162,510	4,010
Building	679,609	701,930	659,900	655,950	(45,980)
Private Engineering Services	240,072	224,300	311,520	244,110	19,810
<i>Year to Year Increase</i>		<i>0.48%</i>	<i>4.79%</i>	<i>-1.41%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increases/Decreases: Administration: Decrease of \$113,760 from approved FY2020 Planning Services Division: Increase of \$111,870 from FY2020 budget (Asst. Director moved from Admin.) Code Administration: Increase of \$4,010 from FY2020 (field technology) • No significant capital expenses in FY2021 for these divisions

Significant Increase/Decreases: Building • Overall decrease of \$45,980 from approved FY2020 • Use this figure carefully, as it is a function of projected development activity (if more projects are undertaken there will be more expenses for third-party services or Village staff). • Third-party services are at higher cost – area scheduled for further review, all in order to maximize expenditures and labor output.

Significant Increase/Decreases: Private Engineering Services • Overall increase of \$19,810 from approved FY2020 • Also a development driven cost center • Solely third-party service used in 2020 may result in an approx. \$90,000 increase in cost for service; filling existing position may help realign cost center with expectations

Trustee Anthony Puccio – The 15% in person permits were they residents or contractors?

Community Development Director Bill Heniff – A little bit of both.

Village Manager Scott Niehaus – Both finance and community and doing this on line has been made this possible with staff being able to work at home. We will be working on the seminary project and library. And permit fees could be all included, plus the activity fees will be going on.

Discussion - Fire Department

Fire Chief Richard Sander gave presentation.

Thanked Board and all the staff in the Department for helping get through a challenging year.

Fire Department Budget Overview - Fire Department's FY21 proposed budget for all funds is \$13,351,975 which is a decrease of \$70,795 (0.53%) compared to FY20 budget ♦ General Fund decreased by \$7,895 (0.06%) ♦ Fire Donation Fund decreased by \$400 (100%) ♦ Hotel/Motel Tax Fund no change ♦ Foreign

Fire Fund increased by \$6,230 (12.00%) ♦ Liability Fund decreased by \$68,730 (8.72%)

**Village of Lombard Fire Department
FY21 Budget Request Summary**

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Fire Services Department	12,563,514	13,422,770	13,236,000	13,351,975	(70,795)
Fire Administration	2,642,174	3,070,150	3,048,320	3,064,830	(5,320)
Fire Buildings	69,300	156,120	153,620	68,970	(87,150)
Fire Prevention	249,533	314,800	309,420	312,090	(2,710)
Fire & Rescue Services	5,840,359	5,844,320	5,815,270	5,667,280	(177,040)
Fire & Rescue Training	118,539	105,370	80,320	105,945	575
Fire Investigation	9,288	12,910	12,910	13,740	830
Emergency Medical Service	2,980,261	3,019,210	3,024,750	3,290,840	271,630
Emergency Preparedness	76,568	51,210	44,910	42,500	(8,710)
FD Village Events	1,630	8,600	8,600	8,600	-
Fire Donations	-	400	-	-	(400)
Foreign Fire Insurance	53,739	51,910	51,910	58,140	6,230
Risk Management - Fire	522,123	787,770	685,970	719,040	(68,730)
<i>Year to Year Increase</i>		<i>6.84%</i>	<i>-1.39%</i>	<i>-0.53%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Notable Changes to Cost Centers from 2020 Fire & Rescue Services ♦ Decrease There is a total decrease of \$177,040. The majority of this decrease is due to transferring \$152,900 or 72% of the Emergency Dispatch cost to Emergency Medical Services. **Emergency Medical Services ♦ Increase** There is a total increase of \$271,630. The majority of this increase is due to a transfer of \$152,900 (72%) for Emergency Dispatch and \$124,290 for Technology Reserve for the replacement of EMS equipment. This change better represents the overall cost of the EMS fund. **Fire Buildings ♦ Decrease** There is a total decrease of \$87,150. The majority of this decrease is due to the completion of the Fire Station Alerting System (\$75,00). **Risk Management θ Decrease.** There is a total decrease of \$68,730. This accounts for the Fire Department’s share of insurance premiums paid by the Village, as well as the Fire Department’s workman’s compensation costs.

Trustee Reid Foltyniewicz– What was the biggest item that contributed to this?
 Fire Chief Richard Sander – not really one item just all contributed.
 Village Manager Scott Niehaus – We have one to fill. We do have 3 people that are at the 30-year mark. We won’t know until they say for sure – benefit will be in January.

Discussion - Police Department Budget.

Police Chief Roy Newton – Thanked President Giagnorio and Village Board. Also thank you to my deputies and staff and Richard Sanders for this unique time. Thank you to our staff that had to work these extended hours because of all the different situations that have happened because of the times.

Police Department Budget Overview v Police Department’s FY21 proposed budget for all funds is \$14,957,416 which is a increase of \$186,335 (1.26%) compared to FY20 budget ♦ General Fund increased \$28,065 (0.20%) ♦ DUI Equipment/Technology Fund increased \$36,700 (316.38%) ♦ Police Donation

Fund no change ♦ Police Grants increased \$150,000 (229.01%) ♦ Hotel/Motel Tax Fund decreased \$1,490 (2.19%) ♦ Federal Seizure Fund increased \$16,700 (139.17%) ♦ State Seizures Fund increased \$16,700 (238.57%) ♦ Liability Insurance Fund decreased \$60,340 (10.55%)

**Village of Lombard Police Department
FY21 Budget Request Summary**

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Police Department	14,379,914	14,771,081	14,316,990	14,957,416	186,335
Police Administration	3,584,336	3,881,770	3,874,560	4,019,615	137,845
Police Buildings	63,168	65,431	43,030	55,050	(10,381)
Patrol Services	7,368,658	6,923,510	6,952,320	7,160,241	236,731
Criminal Investigations & Juvenile	1,430,892	1,830,480	1,625,970	1,667,300	(163,180)
Police Records	842,736	911,710	859,170	820,420	(91,290)
Police Traffic Services	427,081	421,210	298,450	339,550	(81,660)
DUI Equipment/Technology	6,158	11,600	65,000	48,300	36,700
State Seizures	8,040	7,000	14,700	23,700	16,700
Federal Seizures	76,542	12,000	-	28,700	16,700
PD Village Events	62,267	68,030	32,350	66,540	(1,490)
Police Donations	5,632	1,000	1,500	1,000	-
Police Grants	159,787	65,500	65,500	215,500	150,000
Risk Management - Police	344,618	571,840	484,440	511,500	(60,340)
<i>Year to Year Increase</i>		<i>2.72%</i>	<i>-3.07%</i>	<i>1.26%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases Police Administration • There is a total decrease of \$6,000 Patrol Services • There is a total decrease of \$9,750 • Operating supplies was reduced by \$9,750 (ammunition and equipment) • Increased Patrol Operations \$50,400 for TASER upgrade • Increase Patrol Training of \$14,000 for academy training Criminal Investigations • There are no areas of change Police Records • There is a total decrease of \$110,000 for elimination of front desk personnel and other miscellaneous expenses • There is an increase of \$8,000 for DUI Cannabis Test Kit Processing Police Traffic Services • There is a decrease of \$2,000 in overtime expenses

Trustee Bill Ware – Any Retirements?

Police Chief Roy Newton – We reached retirements in the last two years of 8 people. so we still have officers that have 20 – 25 years but are not 50 years old. We might have 1 or maybe someone that might pop up.

Village Manager Scott Niehaus – Something I talk about with both chiefs monthly. We get lateral list and take someone from another municipality

Trustee Bill Ware – You were talking about putting more money towards training?

Police Chief Roy Newton – We have money in training but needed 4 recruits. We have those already in the budget. We have completed the computer-based training. I want to stay ahead. We did make adjustments to have things that are necessary to get things done.

Village Manager Scott Niehaus – IML from the veto session or next general assembly may put additional costs on the department. Will happen in 2021. I will be talking to chief about implementing station cameras on fixed roads. Roosevelt, North Ave., or Yorktown, for the geography of where we are located.

Police Chief Roy Newton – LPR – Glen Ellen, Villa Park, they do have fixed cameras that take license plates and you put it and they can say that it went through this street, certainly helpful in the main areas to have those station plates readers to capture for us. We do have license plate readers on 2 or 3 of our cars.

Trustee Reid Foltyniewicz – If car is stolen how will that help us – it will help definitely capture the people that would probably catch them before a crime is committed.

Trustee Anthony Puccio – The fixed operate the same as a car?

Trustee Reid Foltyniewicz – Yes they are the same.

Village Manager Scott Niehaus – Chief Newton will be getting regular updates and notify you the best he can. Keeps it short and quick so you can have the information to answer short questions.

Discussion - Water and Sewer Operation & Maintenance Fund Overview

Finance Director Tim Sexton made the presentation.

2020-2024 (5 Year) Water and Sewer Approved Rate Increases*

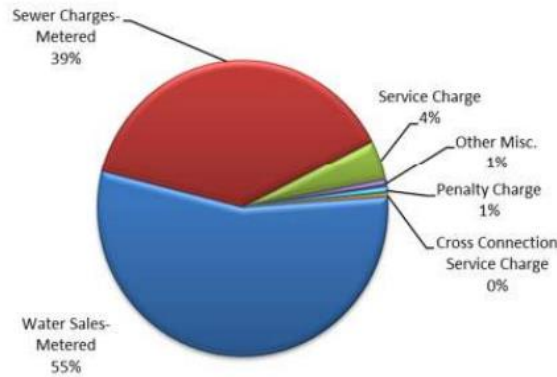
	FYE 2020*	FYE 2021	FYE 2022	FYE 2023	FYE 2024
WATER & SEWER O&M	Budget	Projection	Projection	Projection	Projection
Projected Annual Water & Sewer Rate Increases					
for Operations	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
for Capital	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Amount/1000 gallons	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Variable Rates					
Water O&M	\$8.04	\$8.24	\$8.44	\$8.64	\$8.84
Sewer O&M	\$5.96	\$6.06	\$6.16	\$6.26	\$6.36
Capital	\$1.30	\$1.40	\$1.50	\$1.60	\$1.70
Total Water & Sewer Variable Rate	\$15.30	\$15.70	\$16.10	\$16.50	\$16.90
Percentage Increase	2.68%	2.61%	2.55%	2.48%	2.42%
Fixed Rates					
Service Charge (per bill)*	\$5.05	\$5.05	\$5.05	\$5.05	\$5.05
Capital Charge (per bill)*	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00
Total Water & Sewer Fixed Rate	\$10.05	\$10.30	\$10.55	\$10.80	\$11.05
Percentage Increase		2.49%	2.43%	2.37%	2.31%
Cross Connection Charge (per bill)*	\$4.50	\$4.65	\$4.80	\$4.95	\$5.10
Percentage Increase		3.33%	3.23%	3.13%	3.03%
*FY 2020 monthly billing; prior to 2020 bi-monthly					

*Based on results from the 2019 Water & Sewer Rate Study. Staff will continue to review annually and recommend rate adjustments as needed.

2021 W&S O&M Revenue Assumptions

Description	2019 Actual Amount	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 20 Budget	% Over/Under 20 Budget	Assumptions/Comments
Water Sales-Metered	\$9,033,881	\$9,463,720	\$9,463,720	\$9,701,730	\$238,010	2.51%	Revenue for FY21 is based upon selling 1.190 bgal of water @ \$8.24/kgal. Based on the Water Rate Study a \$0.20 per 1,000 gals increase on January 1, 2021 was approved.
Sewer Charges-Metered	\$6,389,923	\$6,698,950	\$6,698,950	\$6,811,280	\$112,330	1.68%	Revenue for FY21 is based upon billing 1.123 bgal of sewer @ \$6.06/kgal. Based on the Water Rate Study, \$0.10 per 1,000 gals increase on January 1, 2021 was approved.
Service Charge	\$782,622	\$785,620	\$785,620	\$785,620	\$0	0.00%	Based on the Water Rate Study, there will be no increase on January 1, 2021. Therefore, the monthly service charge per bill is \$5.05.
Penalty Charge	\$128,273	\$134,280	\$30,000	\$128,270	(\$6,010)	-4.48%	The FY21 budget is based on FY19 actual. Collections can vary from year to year if a few large bills are not paid on time. Penalties in 2020 were not charged due to COVID-19.
Cross Connection Service Charge	\$59,361	\$62,010	\$61,140	\$62,970	\$960	1.55%	The FY21 budget is based on FY20 projected revenue. A increase of \$0.15/month is needed to cover the cost to administer the mandated EPA program. The total monthly cross connection charge per bill would be \$4.65.

Top 5 Water/Sewer O&M Fund Revenues

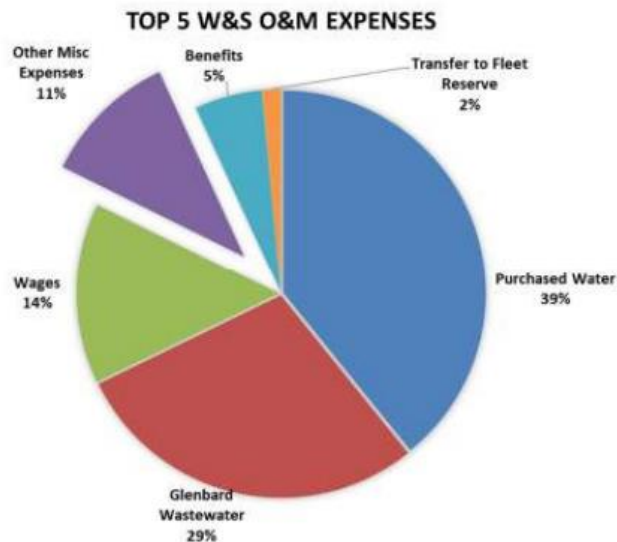


Description	2019 Actual Amount	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 20 Budget	% Over/Under 20 Budget
Top 5 W/S O&M Revenues	\$16,394,060	\$17,144,580	\$17,039,430	\$17,489,870	\$345,290	2.01%
Total W/S O&M Revenue	\$16,605,046	\$17,314,070	\$17,173,320	\$17,630,270	\$316,200	1.83%
Top 5 vs. Total W/S O&M Revenue	98.73%	99.02%	99.22%	99.20%	N/A	N/A

The Top 5 revenue sources total 99.20% of all Water/Sewer O&M Fund revenues.

2021 W&S O&M Expense Assumptions

	FY19 Actual	FY20 Amended Budget	FY20 Estimated	FY21 Proposed Budget	\$ Over/Under 20 Budget	% Over/Under 20 Budget	Assumptions/Comments
Purchased Water	\$6,525,881	\$6,744,080	\$6,744,080	\$6,909,800	\$165,720	2.46%	Based on FY19 Actual Expense and DWC increased their rate 2.45% for FY20-21.
Glenbard Wastewater	\$4,640,742	\$4,761,000	\$4,840,000	\$5,040,000	\$279,000	5.86%	Increase is based on FY19 Actual Expense and the 2020 GWA Budget. Increase is 8.60% compared to 2019 Actual expense.
Wages	\$2,479,645	\$2,447,560	\$2,482,940	\$2,554,320	\$106,760	4.36%	Wages include salaries and estimated increases. Increases are in accordance with the AFSCME contract.
Benefits	\$904,859	\$973,450	\$962,730	\$950,040	(\$23,410)	-2.40%	The IMRF rate decreased from 15.61% in 2020 to 14.25% in 2021.
Transfer to Fleet Reserve	\$287,532	\$361,050	\$361,050	\$264,770	(\$96,280)	-26.67%	Projection is based on anticipated vehicle purchases.



	FY19 Actual	FY20 Amended Budget	FY20 Estimated	FY21 Proposed Budget	\$ Over/Under 20 Budget	% Over/Under 20 Budget
Top 5 Expenses	\$14,838,658	\$15,287,140	\$15,390,800	\$15,718,930	\$431,790	2.82%
Total W&S Maint Fund	\$16,528,992	\$17,151,220	\$17,157,770	\$17,627,032	\$475,812	2.77%
Top 5 vs. Total W/S O&M Exp	89.77%	89.13%	89.70%	89.18%	N/A	N/A

The top 5 expenses make up 89.18% of the total expenses in the Water/Sewer O&M Fund.

2021 Water & Sewer Revenue Allocation per 1,000/gals

Where Does My Money Go?



- The FY 2021 Proposed Water & Sewer Variable Rate is \$15.70 per 1,000 gallons.
- The Village of Lombard would receive \$5.06 per 1,000 gallons for operating and maintenance activities and capital improvements.
- Note: This does not include the monthly fixed capital fee and service charge per bill.

Distribution of the Water & Sewer Revenue \$15.70/per 1000 gals	
Lake Michigan Water	\$ 6.15
Glenbard Wastewater Facility	\$ 4.49
Village of Lombard	\$ 5.06
Total	\$ 15.70

Trustee Bill Ware – an Increase to the public?
 Finance Director Tim Sexton – Just a little over 2.5%
 Village Manager Scott Niehaus - Average user?
 Finance Director Tim Sexton - \$2.00 per month for the average user.

Discussion - Public Works Department

Director of Public Works Carl Goldsmith - Thank you Village board for all your support and thank you to the men and woman of the department for their hard work for the challenging year. He gave the public works presentation Public Works Department's FY21 total proposed budget for all funds is \$22,100,509 which is a decrease of \$109,741.99 (0.36%) compared to FY20 budget ♦ General Funds decreased \$496,914 (9.92%) v General Fund decreased \$272,324.99 (6.27%) v Hotel/Motel Tax Fund decreased \$213,909 (75.52%) v Community Recycling Fund decreased \$900 (0.65%) v Liability Risk Management Fund decreased \$9,780 (3.98%) ♦ Water/Sewer Operations & Maintenance Fund increased \$392,552 (2.45%) ♦ Fleet Services Operations & Maintenance Fund decreased \$5,380 (0.46%)
 Village of Lombard Public Works Department General Fund FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Public Works Department	4,685,809	5,011,621	4,721,860	4,514,707	(496,914)
PW Administration	436,202	459,890	449,370	449,710	(10,180)
Village Hall Buildings	377,085	457,921	411,600	427,471	(30,450)
Public Works Buildings	64,886	70,420	52,620	63,841	(6,579)
Street Maintenance	1,692,286	1,835,060	1,740,470	1,692,533	(142,527)
Street Lighting	214,047	239,000	229,200	229,781	(9,219)
Traffic Signals/Signs/Markings	253,829	333,190	227,010	151,790	(181,400)
Urban Forestry & Landscaping	617,410	604,300	637,100	657,240	52,940
Engineering Administration	323,228	344,270	344,590	399,360	55,090
Community Recycling	140,830	138,850	136,210	137,950	(900)
PW Village Events	364,523	283,260	245,400	69,351	(213,909)
Risk Management - Public Works	201,484	245,460	248,290	235,680	(9,780)
Year to Year Increase		6.95%	-5.78%	-9.92%	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: v The Training & Travel line items throughout the 2021 budget reflect decreases due to the use of online meetings and trainings due to COVID-19. v The Village has reduced the repairs and improvements line item in General Services Building (101.120.113.75620) by \$22,999 for 2021. The Village completed HVAC duct cleaning at the Village Hall in 2020. The Village has also reduced the contractual maintenance by \$5,000 to reflect the actual use of outside contractors for facility related projects. v The requested funds for Operating Supplies in PW Administration has been reduced by \$4,500 to reflect the three year average. v Janitorial Supplies in PW Buildings has been increased by \$800 due to additional supplies necessary to clean/disinfect due to COVID-19. v The Overtime line item in Street Maintenance has been increased to account for actual expenses related to the Supervisors participation in the call-out rotation. v The Street Maintenance Supplies (101.270.113.73310) has been decreased by \$22,899 due to a reduction in the amount of materials and supplies that the Village anticipates using in 2020.

Significant Increase/Decreases: v Operating Supplies in Traffic Signals/Signs/Markings has decreased by \$55,000. The Village purchased a new sign shop printer/cutter/laminator system in 2020. v Other Professional/Technical Services in Forestry & Urban Landscaping decreased by \$11,920 due to the change in level of services for the mosquito abatement program v The Village has included \$19,000 in Engineering Services (101.120.330.75410) due to additional need for survey work on issues that are not included in the CIP. v The Village has moved the costs for the maintenance of the traffic signals to Engineering Services from Traffic Signals/Signs/Markings to better track the expenses. There is no increase in the costs. v The Other Professional/Technical Services line item in Village Events cost center (240.270.112.75350) has been reduced by \$194,999 due to tree related programs being funded by Motor Fuel Taxes and the Construction Fund.

Village of Lombard Public Works Department Water & Sewer Operating Fund
FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Public Works Department Water & Sewer Fund	15,502,679	16,021,850	16,081,200	16,414,402	392,552
Water & Sewer Administration	890,964	952,500	943,850	940,330	(12,170)
Water Pumping & Treatment	634,011	653,110	648,170	647,000	(6,110)
Lake Michigan Water	6,525,881	6,744,080	6,744,080	6,909,800	165,720
Water Distribution	991,622	979,420	960,740	994,720	15,300
Water Meter Reading & Maint	250,113	246,240	254,940	246,570	330
Glenbard Wastewater Facility	4,640,742	4,761,000	4,840,000	5,040,000	279,000
Sanitary Sewer Maint	907,699	1,017,200	1,018,790	967,780	(49,420)
Lift/Pump Station Maintenance	378,557	380,620	378,560	372,382	(8,238)
Storm Sewer System Maint	283,092	287,680	292,070	295,820	8,140
<i>Year to Year Increase</i>		<i>3.35%</i>	<i>0.37%</i>	<i>2.45%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: • The Village has increased the budget for the Computer Service Contracts in Water Pumping & Treatment by \$3,250 to cover the cost of cellular modems. These modems allow for expanded security at remote water facilities. • Training and Travel line items throughout the Water & Sewer Fund have been reduced. The reductions are due to using more online based training due to Covid-19. • The Village's cost for the Glenbard Wastewater Authority has increased by \$279,000 (6%) in 2021. The rates are based upon percentage of flow and with the combined sewers, the Village contribution increases with wet weather events. • The Village eliminated the part-time position in the Lift/Pump Station.

Village of Lombard Public Works Department Fleet Fund FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Fleet Service Funds	1,066,029	1,176,780	1,083,450	1,171,400	(5,380)
Fleet Services O&M	1,066,029	1,176,780	1,083,450	1,171,400	(5,380)
<i>Year to Year Increase</i>		<i>10.39%</i>	<i>-7.93%</i>	<i>-0.46%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

Significant Increase/Decreases: • The Village has reduced the fuel purchase for 2021 by \$27,000. This is a function of the fuel prices, more efficient vehicles being incorporated into the fleet and the elimination of a number of vehicles as part of the effort to "right-size" the fleet.

General Fund Presentation

No Questions.

Water and Sewer Fund Presentation

No Questions

Police Fleet fund

No Questions.

Discussion - Capital Improvement Plan

Director of Public Works Carl Goldsmith gave the presentation Capital Improvement Program for Fiscal Years 2021 – 2030. The draft plan was presented to the Public Works and Environmental Concerns Committee at their July 14, 2020 meeting. After deliberation on the plan, the Committee unanimously supported the plan and recommended that the plan be forwarded to the Village Board of Trustees for consideration. The FY2021 - FY2030 Capital Improvement Program (CIP) is proposed at \$133,425,400. A total of \$109,242,600 in local funds (Building Fund, Construction Fund, Facility Fund, Hotel/Motel Fund, Parking Capital Reserve Fund, Tax Increment Financing Fund and Water/Sewer Capital Reserve Fund) and \$24,182,800 in non-local funds are projected to be spent for capital improvements during the FY2021-FY2030 Capital Improvement Program. For FY2021, the CIP is funded at \$9,482,100, with \$6,683,300 in local funds and \$2,798,800 in nonlocal funds. Included in the proposed FY2021 CIP of \$9,482,100 are the following expenditures: \$177,000 for Bikeway and Pedestrian Path Improvements; \$15,100 for Commuter Parking Facilities; \$303,000 for Facility Improvements and Maintenance; \$2,100 for Parking Lot Improvements; \$116,000 for Professional Services; \$1,296,000 for Right-of-Way Maintenance and Beautification; \$2,371,600 for Sewer System/Stormwater Control Improvements not performed in conjunction with a street project; \$243,000 for Sidewalk Improvements; \$2,757,000 for Street Construction and Maintenance (including related underground improvements); \$291,000 for Traffic Signal and Street Lighting Improvements; and \$1,910,300 for Water System Improvements not attributable to a street project. In addition to the non-home rule sales tax, other revenue sources used to finance capital improvements include sales tax, utility/telecommunications tax, the public benefit property tax, motor fuel tax, commuter parking fund revenue and water and sewer fund revenue. As part of the Long-Range Budget Planning process, the Village has established a Building Reserve Fund, for the future replacement or major renovation of Village owned facilities. Due to the impact that COVID-19 has had on the Village's revenue sources, it is likely that the Village will utilize the Building Reserve Fund to offset lost revenues. This short-term borrowing will delay projects that were previously anticipated to move forward in the next 3-4 years. The Rebuild Illinois Capital H:\Finance\Budget\Budget Preparations 2021\CIP 2021-2030\CIP Transmittal Memo 9.1.2020.doc - 2 - Bill contains ten (10) projects at an estimated funding level of \$4,988,000. There are six (6) projects funded by the Capital Bill that appear in the CIP at a funding level of \$4,713,000. In 2019 the Village completed a water and sewer rate study that established the rates for water and sewer at appropriate levels to ensure that the Village will be able to address long term operational and capital needs. The rate study also led to the implementation of a new structure for the water rate to ensure system-wide equity. As part of the study, the Village looked at the Non-Home Rule Sales Tax subsidy to the Water and Sewer Fund and provides for a draw-down of the subsidy. Any reduction in the subsidy will result in additional funding available for construction projects. The results of the study have been incorporated into the 2021-2030 CIP. The table below provides a summary of the annual subsidy provided by the Non- Home Rule Sales Tax to the Water and Sewer Fund.

Village Manager Scott Niehaus – Nothing in the plan to botch any traffic or nothing like Main street.

No Board Questions

Village Manager Scott Niehaus – Keep in mind 4.7 million deficit. When auditors are done adding up how much we spent and took in and then go to yearend surplus from this year.

Trustee Bill Ware Why wait?

Village Manager Scott Niehaus – Because we don't want to transfer the wrong amount.

In conversation general budget we are done 1.2%. We are spending ½ a million less.

We are positively optimistic things will be better.

President Keith Giagnorio – Thank you Trustee Foltyniewicz, Tim, Jaimie and all department heads. Thank you everyone.

ADJOURNMENT

The Special Meeting of the President and Board of Trustees of the Village of Lombard held on Monday, September 28, 2020 in the Board Room of the Lombard Village Hall be adjourned at 4:57 pm, the motion to adjourn was made by Trustee Foltyniewicz and second by Trustee Honig. Majority voted all in favor.

Ayes: Trustees Whittington, Puccio, Foltyniewicz, Honig, Militello, and Ware

Nays: None

Absent: None

Motion Carried

Sharon Kuderna
Village Clerk

/sk