

Leg #160343



MEMORANDUM

TO: Scott Niehaus, Village Manager

FROM: Tim Sexton, Director of Finance

DATE: August 3, 2016

SUBJECT: Proposed Budget for the Lombard Finance Department and General Services Calendar Year 2017

Attached please find the proposed budgets for the Finance Department and General Services that cover FY 2017. Any substantive changes to these budgets as compared to FY 2016 will be highlighted below.

Substantive Changes – The Finance Department and Village General Services includes all changes identified in the Long Range Plan. Areas of increase and additions to the budget are discussed below.

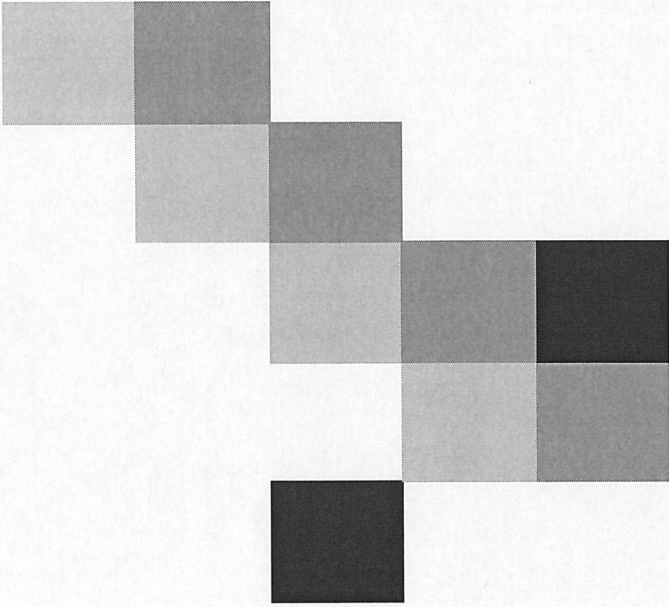
Areas of Increase – Areas of increase pertain primarily to contract wage, benefit, and annual contractual increases.

Additions to the Budget – The FY17 request includes a request to budget funds for a SAN and 3 Nodes for the Village Hall, replace Police and Fire AED's. There are also funds budgeted to purchase Windows 2016 User Server Cals and licenses. The Utility Billing & Accounts Maintenance budget includes an increase for credit card and bank fees associated with doing more business electronically.

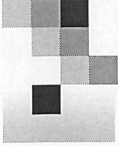
Challenges

The Finance Department's primary challenge for FY 2017 is to work closely with the Public Works department to use the data from the Water and Sewer Rate Study to determine future rate increases required to meet operating and infrastructure needs. Finance staff will also assist the Public Works Department with planning for the replacement program for residential water meters. In addition, we continue to look for opportunities to reduce expenses in order to prevent future year deficits and to prepare for potential local revenue cuts that may be made by the State of Illinois.

If you should have any questions or would like any additional information, please do not hesitate to contact me.



Calendar Year 2017 Budget Workshop Lombard Finance Department



Finance Department Budget Overview

- General Services FY17 proposed budget for all funds is \$3,330,480 which is an increase of \$100,270 (3.10%) compared to FY16 budget
 - General Fund increased \$98,660 (5%)
 - Business District #1 (part of Yorktown) increased \$43,330 (7%)
 - Water & Sewer Operating Fund decreased \$41,720 (6%)

- Finance Department's FY17 proposed budget for all funds is \$2,310,820 which is an increase of \$2,605 (0.11%) compared to FY16 budget
 - General Fund decreased \$77,955 (4%)
 - Hotel/Motel Tax Fund increased \$440 (1%)
 - Water & Sewer Operating Fund increased \$75,770 (24%)
 - Technology Reserve Fund increased \$4,350 (2%)

Village of Lombard General Services FY17 Budget Request Summary

	ACTUAL 2015	AMENDED BUDGET 2016	YEAR-END ESTIMATE 2016	MANAGER PROPOSED 2017	\$ OVER/UNDER 2016 BUDGET
General Services	2,956,744	3,230,210	2,833,850	3,330,480	100,270
General Services- General Fund	1,489,003	1,628,050	1,354,170	1,756,710	128,660
LPFC Sales/PFE Tax Rebate	227,555	290,000	250,000	260,000	-30,000
Business District #1	653,089	634,110	677,440	677,440	43,330
General Services - Water/Sewer	587,098	678,050	552,240	636,330	-41,720
<i>Year to Year Increase</i>		<i>9.25%</i>	<i>-12.27%</i>	<i>3.10%</i>	
		<i>Compares to 2015 Actual</i>	<i>Compares to 2016 Amended Budget</i>	<i>Compares to 2016 Amended</i>	

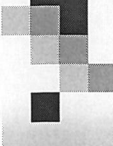
Significant Increase/Decreases:

- General Services
 - COBRA/Retiree medical costs decreased by \$131,750
 - Contingency for wage increases increased by \$408,960
 - A reduction of \$10,000 in annual copier costs due to newer, more efficient copiers
 - Transfer to Technology Reserve decreased \$126,460 due to software moving to "cloud" technology, leasing copiers
 - A decrease in ambulance billing fees of \$19,800 – Started with new company in 2015 and the rates for billing are lower than previous company. In addition, the 2017 budget is based on estimates from 2016 actual billing.
 - LPFC (Hotel & Convention Center) Sales/PFE Tax Rebate-A decrease in sales tax and places for eating tax
 - Business District #1 – An increase in the sales tax generated in the business district

- General Services – Water/Sewer
 - Contingency for wages decreased by \$38,540

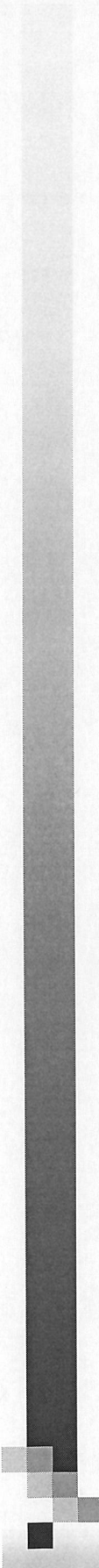
Village of Lombard Finance Department FY17 Budget Request Summary

	ACTUAL 2015	AMENDED BUDGET 2016	YEAR-END ESTIMATE 2016	MANAGER PROPOSED 2017	\$ OVER/UNDER 2016 BUDGET
Finance Department	2,088,293	2,308,215	2,261,080	2,310,820	2,605
Admin & Treasury Mgmt	451,869	471,295	483,150	436,950	-34,345
Accounting & Financial Services	431,136	454,090	443,690	427,780	-26,310
Customer Service/Licensing	62,986	66,860	67,370	66,760	-100
Information Technology	685,713	784,310	737,650	767,110	-17,200
Finance Village Events	41,205	43,020	43,000	43,460	440
Utility Billing & Account Maintenance	300,975	312,620	349,220	388,390	75,770
Technology Reserve	114,408	176,020	137,000	180,370	4,350
Year to Year Increase		10.53%	-2.04%	0.11%	
		Compares to 2015 Actual	Compares to 2016 Amended Budget	Compares to 2016 Amended Budget	



Significant Increase/Decreases:

- Accounting – Village sent out an RFP in 2015 and the services for the 2016 audit to be performed in 2017 was reduced \$3,830.
- Accounting – Special Assessment services payment decreased to \$4,000 due to fewer Assessments left on the books.
- Accounting – GASB 43&45 full actuarial report is required every other year. This year there is a decrease of \$3,500 in the 2017 budget
- Information Technology
 - Decreased operating supply budget \$8,000 based on prior year spending.
 - Increased Technology Software \$13,000 to purchase Windows 2016 User Server Cals and licenses, SQL Server license, and Adobe
 - Decreased \$5,400 for Technology Equipment, one-time purchases 2016 not needed in 2017
 - Reduced New World annual maintenance contract \$20,000
- Utility Billing & Account Maintenance
 - \$27,720 (30%)--Assistant Director of Finance wages reallocated from General Fund
 - Reallocated additional \$9,600 (20%) for banking fees from General Fund
 - Increased credit card fees an additional \$34,020 due to the popularity of online credit card payments and electronic check file services. The fee to the Village for an online payment is \$0.75 per transaction and there are additional monthly fees for processing services.
- Technology Reserve
 - \$70,000 for SAN and 3 Nodes for the Village Hall system
 - \$27,170 to replace Police and Fire AED's
 - Decrease of \$15,000 for annual computer replacements from 50 to 40 desktops and reducing number of printers



Finance Department Challenges:

- Resolving of the LPFC Debt Issue
- Begin Residential Water Meter Replacement Program
- Completed Water & Sewer Rate Study
- Continue to reduce expenses to prevent future deficits and prepare for potential local revenue cuts that may be made by the State of Illinois