



SY 2023 Budget Workshop

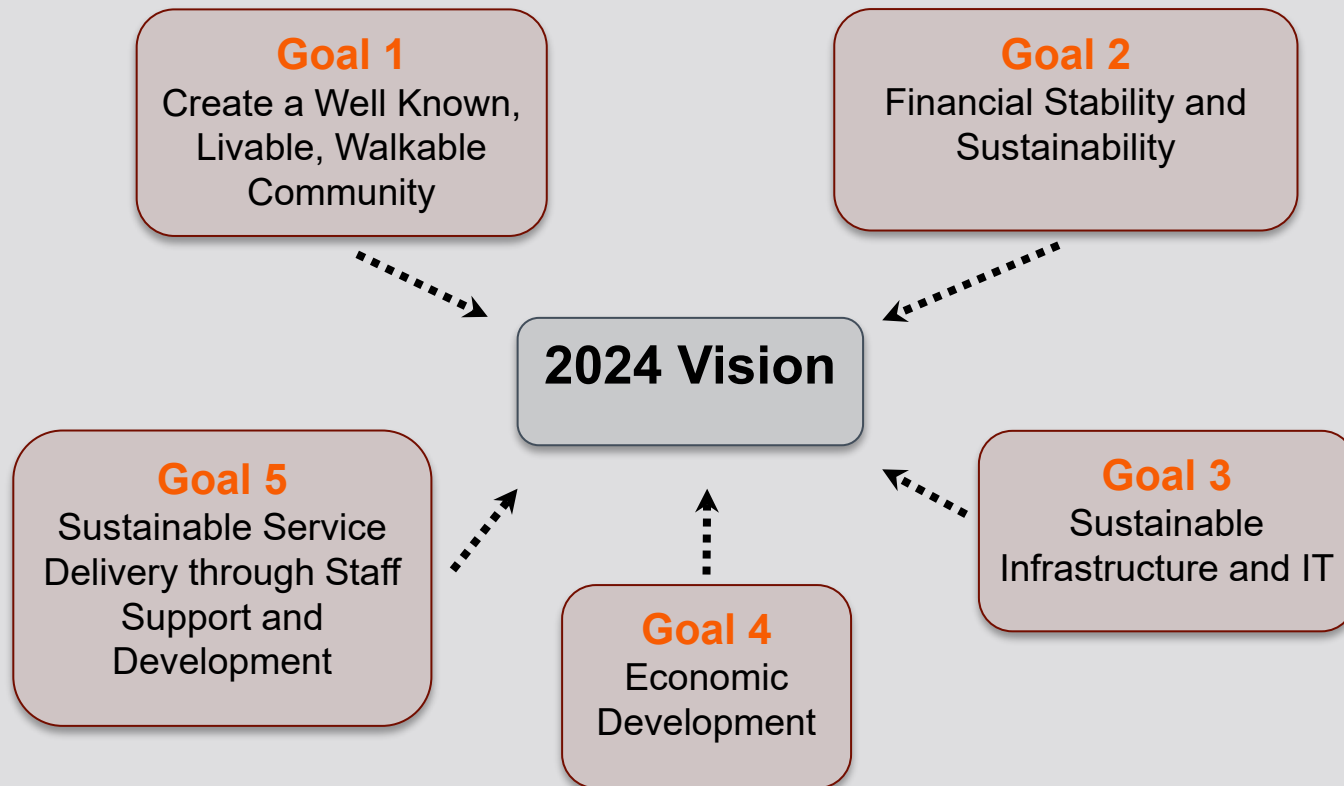
MARCH 20, 2023

Agenda



- **OVERALL BUDGET SUMMARY**
- **GENERAL FUND SUMMARY**
- **TIF AND BDD FUNDS SUMMARY**
- **WATER AND SEWER FUND
SUMMARY**

Budgeting with Purpose: 2019 – 2024 Strategic Plan



Overall Budget Overview

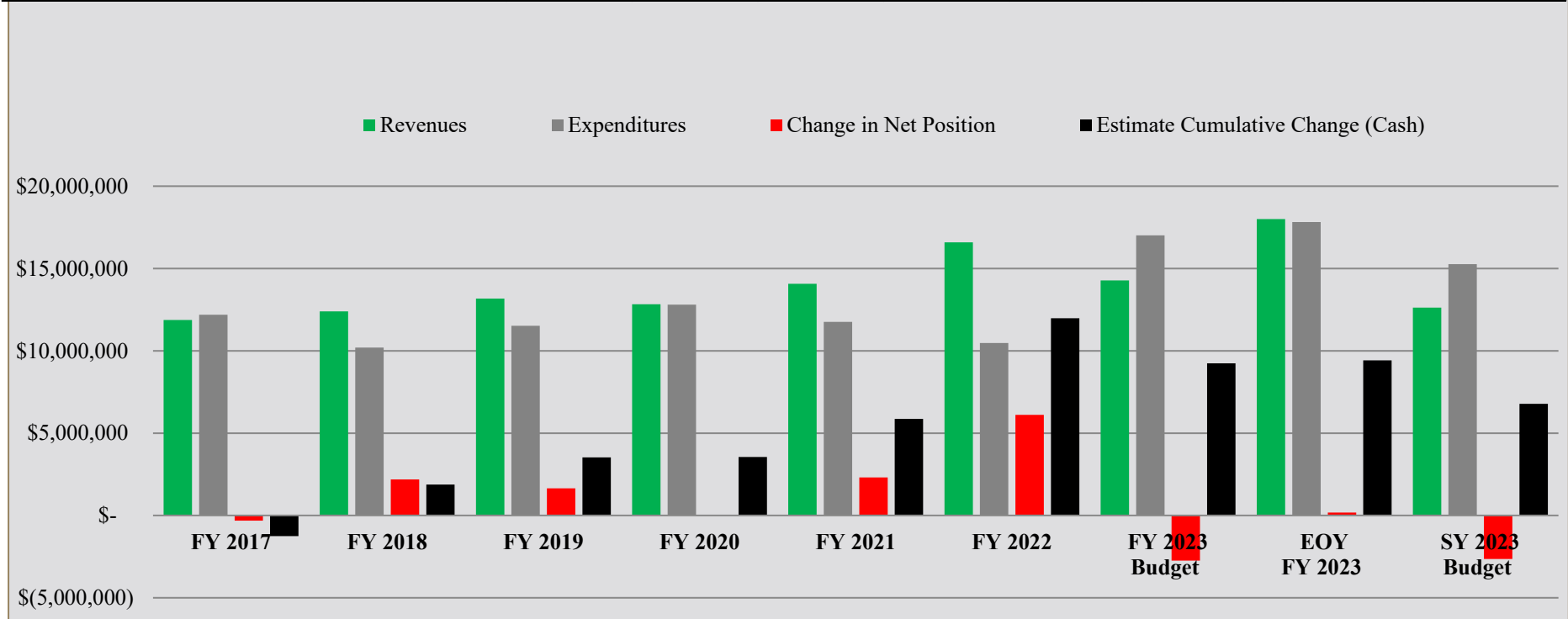


Long-term Budget Overview



Change in Net Position (Revenue vs. Expenditure Comparison)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 Budget	EOY FY 2023	SY 2023 Budget
Revenues	\$ 11,875,226	\$ 12,393,119	\$ 13,169,718	\$ 12,830,701	\$ 14,073,532	\$ 16,587,179	\$ 14,276,451	\$ 18,000,961	\$ 12,625,486
Expenditures	\$ 12,187,614	\$ 10,200,871	\$ 11,523,006	\$ 12,801,760	\$ 11,759,043	\$ 10,479,094	\$ 17,012,258	\$ 17,821,840	\$ 15,265,824
Change in Net Position	\$ (312,388)	\$ 2,192,248	\$ 1,646,712	\$ 28,941	\$ 2,314,489	\$ 6,108,085	\$ (2,735,807)	\$ 179,121	\$ (2,640,338)
Estimate Cumulative Change (Cash)	\$ (1,253,878)	\$ 1,879,860	\$ 3,526,572	\$ 3,555,513	\$ 5,870,002	\$ 11,978,087	\$ 9,242,280	\$ 9,421,401	\$ 6,781,063



Village Debt Obligations



VILLAGE DEBT OBLIGATIONS						
DOES NOT INCLUDE REDEVELOPMENT AGREEMENT OBLIGATIONS						
General Obligation Debt:	Project:	Supported By:	Amount Issued	FY 2023 P&I Payment	SY 2023 P&I Payment	Outstanding Principal & Interest (12.31.23 Estimate)
GO Bond Series 2012A <i>Maturity: 2032</i>	1) Stormwater Detention Pond 2) Acquisition of River Haven Property 3) Construction of Water Main 4) Van Buren Avenue and Christina Drive Road Improvements	<i>Paid out of Fund 48:</i> Prairie Lakes TIF - 39.1% Christina TIF - 15.3% Dundee Crossings TIF - 34.2% Downtown TIF - 11.4%	\$5,390,000	\$520,756	\$541,456	\$1,794,500
GO Bond Series 2012B <i>Maturity: 2027</i>	1) Grant to J.D. Byrider Redevelopment Project (\$520,500) 2) Loan for J.D. Byrider Redevelopment Project (\$1,735,000) to be paid by J.D. Byrider	Dundee Crossings TIF - 100%	\$2,610,000	\$215,736	\$218,262	\$870,600
Limited General Obligation Tax Increment Revenue Bond Series 2012 <i>Maturity: 2031</i>	1) Gat Guns Redevelopment Project (\$5.5 million) and Required Reserve Funds	Route 25 TIF - 100%	\$7,000,000	\$780,719	\$806,406	\$2,168,726
GO Bond Series 2015 <i>Maturity: 2024</i>	1) Police Station Redevelopment Project 2) Acquisition of Summit School Properties 3) Downtown Redevelopment Project (Road Improvements, Crosswalks, Lighting, Burying ComEd Lines) 4) Downtown Lift Station 5) Downtown Water Main Improvements	Downtown TIF - 100%	\$5,450,000	\$906,275	\$908,600	\$910,000
GO Bond Series 2016 Principal Payments Begin 2026 <i>Maturity: 2028</i>	1) Pay off the Line of Credit for the Police Station 2) 311 Barrington Avenue Parking Lot 3) Summit School Roofing Project	Downtown TIF - 100%	\$2,865,000	\$85,950	\$85,950	\$3,169,050
Total General Obligation Principal Issued and Outstanding			\$23,315,000	\$2,509,436	\$2,560,674	\$8,912,876

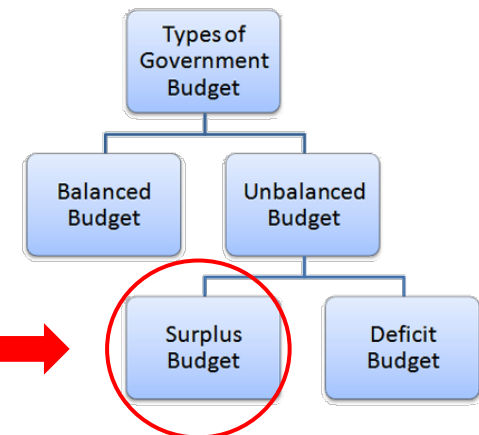
Village Debt Obligations



Other Debt:	Project:	Supported By:	Amount Issued	FY 2023 P&I Payment	SY 2023 P&I Payment	Outstanding Principal & Interest (12.31.23 Estimate)
IEPA Loan 2005 <i>Maturity: 2026</i>	Wastewater Treatment Plant Improvements	Water & Sewer Fund - 100% Funded by Village of West Dundee	\$7,200,000	\$469,060	\$469,060	\$1,407,178
IEPA Loan 2010 <i>Maturity: 2031</i>	Water Improvements - Well #6	Water & Sewer Fund - 100%	\$3,414,000	\$197,865	\$197,865	\$1,582,920
East Dundee Fire Protection District Loan <i>Maturity: 2033</i>	Purchase of Fire Station for Police Station Redevelopment Project	Downtown TIF - 100%	\$2,000,000	\$100,000	\$100,000	\$1,000,000
Total Other Principal Issued and Outstanding			\$12,614,000	\$766,925	\$766,925	\$3,990,098
Total Principal Issued and Outstanding			\$35,929,000	\$3,276,361	\$3,327,599	\$12,902,974
Total SY 2023 Debt Payments (Less J.D. Byrider and West Dundee Revenue)					\$11,223,261	

Budget Overview

- **ZERO-BASED BUDGET**
- **BALANCED GENERAL FUND**
- **ANTICIPATED GENERAL FUND SURPLUS OF \$69,201**
- **USE OF VARIOUS TIF FUNDS CASH RESERVES TO SUBSIDIZE UNDERPERFORMING TIF FUNDS**
- **ANTICIPATED USE OF CASH RESERVE TO FUND PROJECTS**
- **TRANSPARENT BUDGET**



SY 2023 Operating Budget



Budget Overview

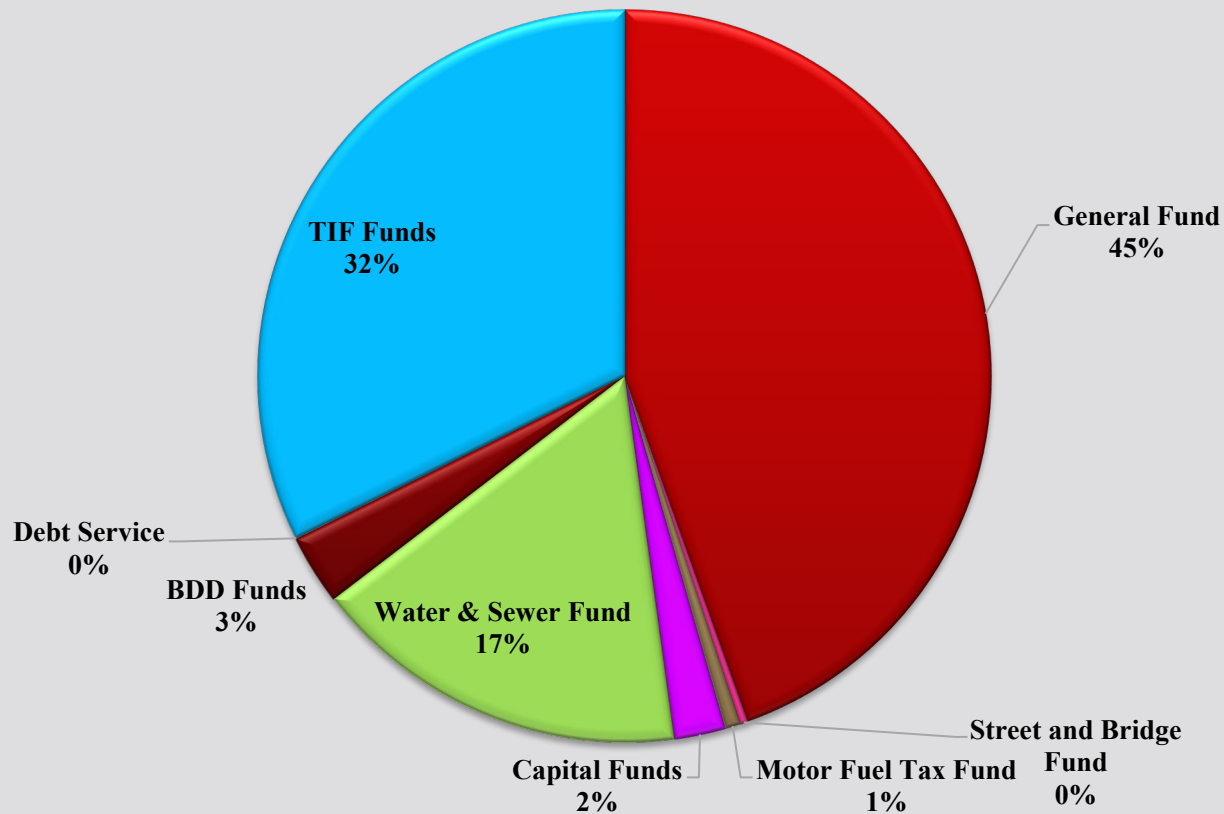


- TIF and BDD Commitments Funded
- Debt Payments Funded
- Nearly \$2.87 Million in Budgeted Initiatives and Projects
- Over \$300,000 in Deferred Projects Identified
- Police Pension Funded to IPOPIF Recommendation
Statutory Minimum
- \$100,000 Contingency (\$50,000 in General and \$50,000
in Water and Sewer Fund)

Budget Overview



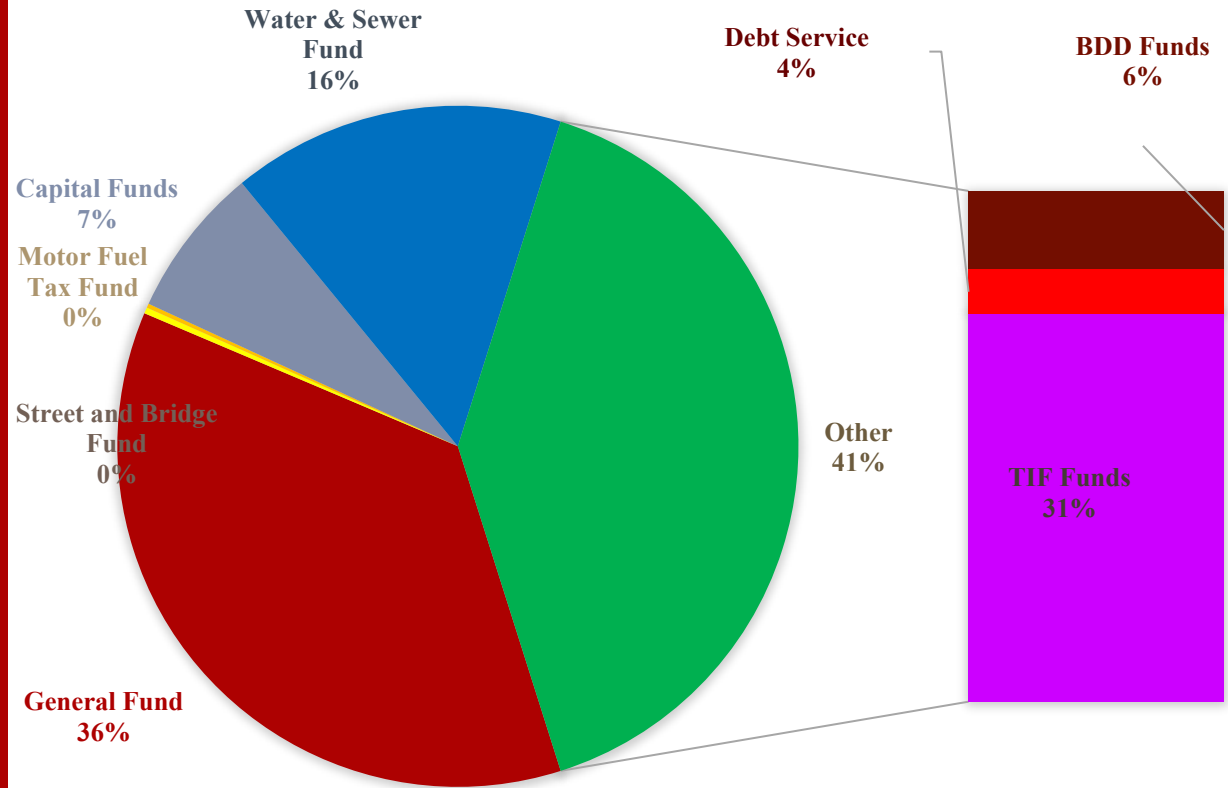
Total Revenues by Fund



Summary of Expenditures by Fund

- Cash balances in the Water & Sewer Funds were intentionally used to fund capital projects
- Capital Projects include but are not limited to:
 - 1 Public Works Vehicle
 - Public Works Equipment (New Trailer & Aerial lift)
 - Village Hall Maintenance
 - StarCom Radio Lease
 - Body Cameras
 - Property Acquisition (2 & 4 N. Van Buren, Haeger Pottery parking lot & Lumber Yard)
 - 4 Road Resurfacing Projects and Road Patching
 - Fox River Beautification Study
 - Gypsy Moth Treatment
 - Depot Complex Improvements (restroom)
 - Water Main Installation
 - Water & Sewer Maintenance of Equipment & Software (SCADA)

TOTAL EXPENDITURES BY FUND



General Fund Budget Overview



General Fund Summary



General Fund Revenues by Source

Overall, the revenue received in the General Fund have increased since the 2020 audit year. Revenues increased unexpectedly and significantly due to some of the following:

- Sales tax revenues have increased significantly
- Permit & licensing revenues have also increased due to new construction and major renovations
- Intergovernmental grants received in FY21 (\$189,281), FY22 (\$218,824) & FY23 (\$218,824) due to the global pandemic
- FY23 introduced two new revenue sources: streaming & truck parking tax

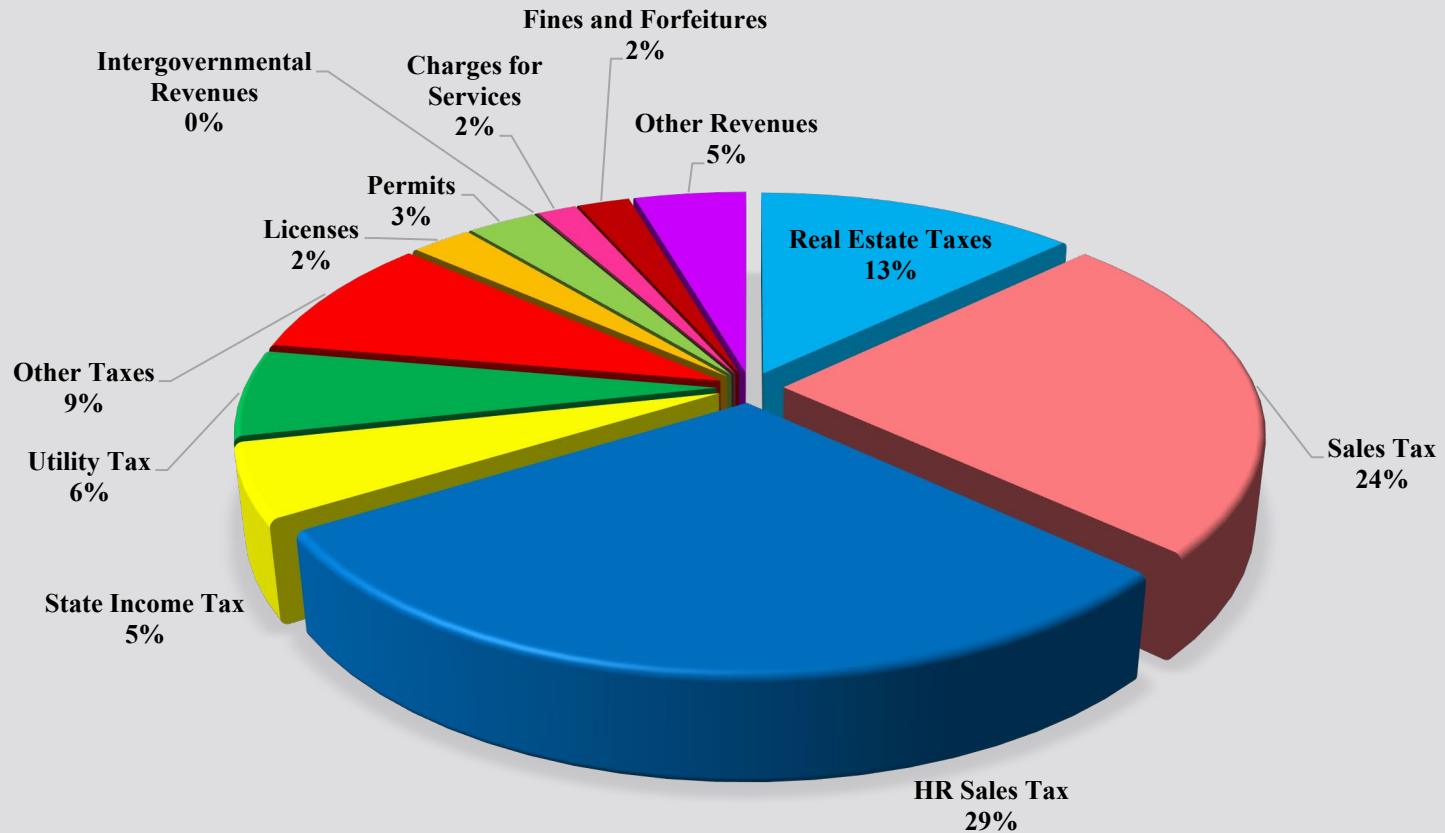
Due to transition to a calendar year budget in 2024, the budget period for May 1 – December 31, 2023, will only reflect eight (8) months of revenue. This is about a 14% or \$926,000 difference from the FY23 budget period.

	FY20 Audited	FY21 Audited	FY22 Audited	FY23 Budget	FY23 EOY	SY23 Budget
Taxes	5,004,896	5,545,662	6,929,716	5,599,719	6,424,456	4,869,241
Licenses	189,926	169,279	226,843	175,000	224,583	138,000
Permits	101,389	355,975	231,277	114,000	283,703	157,200
Intergovernmental	9,925	193,800	26,517	4,500	221,965	2,500
Charges for Services	103,716	298,554	102,360	112,435	134,272	88,235
Fines & Forfeits	257,178	205,770	164,271	172,500	174,999	117,600
Other Revenues	460,074	400,668	399,247	374,000	658,179	253,500
Transfers	-	-	-	-	-	-
	6,127,104	7,169,708	8,080,230	6,552,154	8,122,157	5,626,276

General Fund Summary



General Fund Revenues by Source

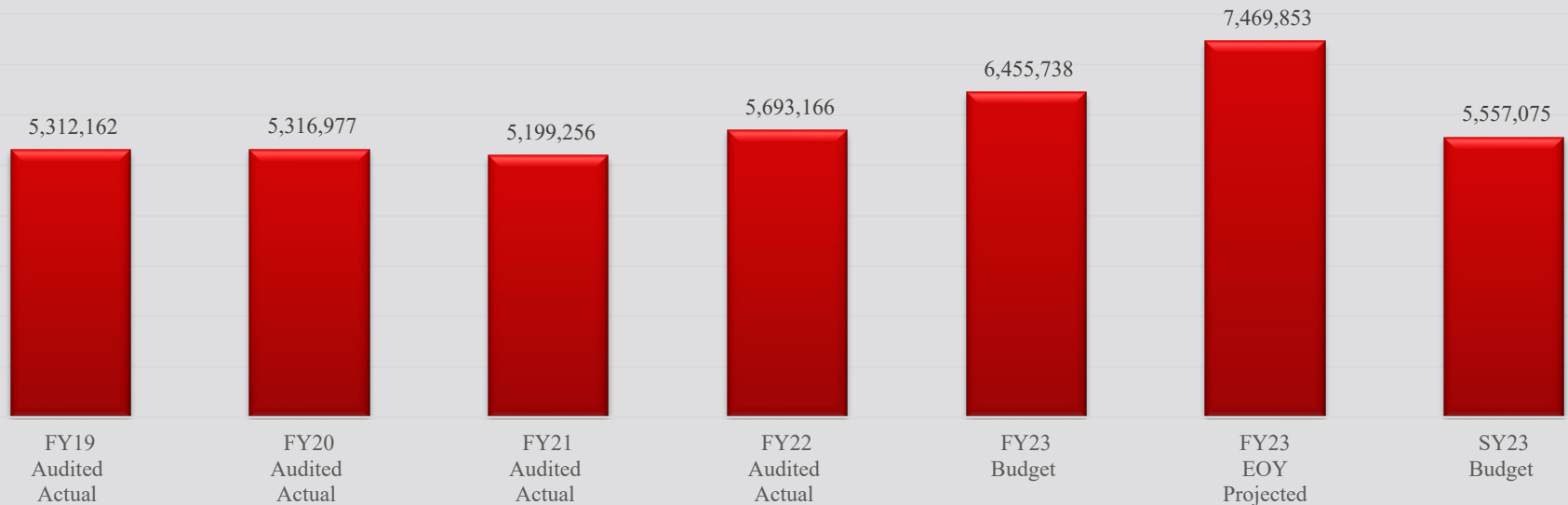


General Fund Summary



General Fund Overview of Annual Expenditures

- The SY 2023 proposed budget is approximately 14% or \$898,663 lower than the FY 2023 budget due to the 8-month transition to the new Calendar Year budget. The goal for the Stub Year budget is to maintain current spending levels. The increase is primarily due to the following:
 - Annual personnel cost increases for union employees only; non-union employees will receive COLA & merit increases on January 1, 2024
 - Increased Police Pension contribution
 - Begin computer and software replacement program for each department



General Fund Summary



General Fund Expenditures by Category

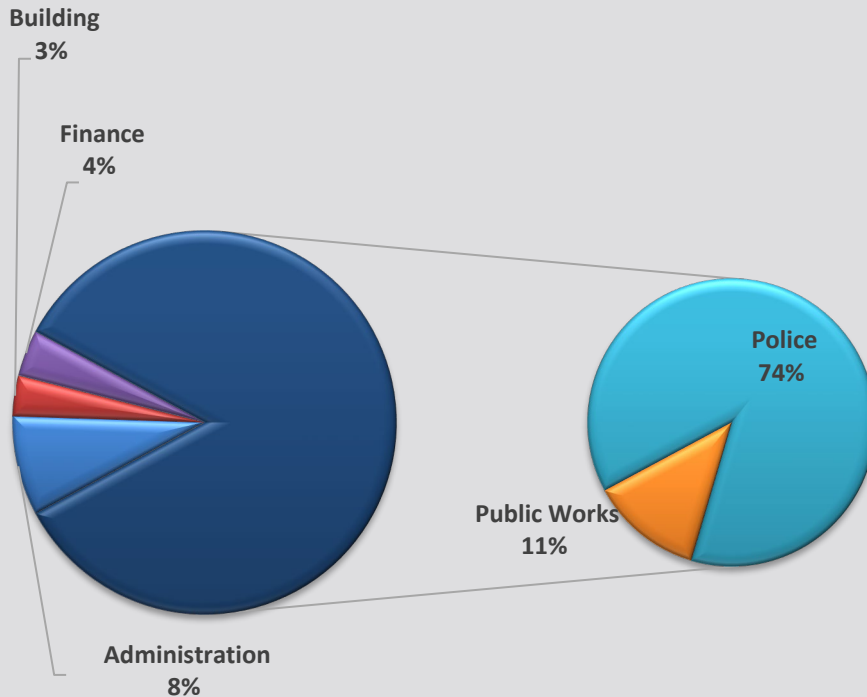
	Community						
	Administration	Building	Events	Finance	Police	Public Works	Refuse
Personnel Services	315,300	129,195	-	147,000	2,775,337	400,450	-
Maintenance Services	6,500	2,000	-	-	62,510	215,960	-
Contractual Services	167,000	13,400	62,300	33,000	115,700	37,300	272,500
Communications	12,300	2,730	10,350	5,260	142,900	4,650	
Professional Development	21,800	1,450	1,550	2,400	41,720	6,550	
Other Charges for Service	20,566	38,900	48,155	22,602	84,190	55,500	5,500
Commodities & Supplies	16,800	3,350	17,500	3,900	51,400	46,350	750
Capital Outlay	50,000	-	-	-	-	-	-
Micellaneous Expenses	50,000	-	5,000	-	27,500	-	-
Transfers	-	-	-	-	-	-	-
TOTAL	660,266	191,025	144,855	214,162	3,301,257	766,760	278,750

The above expenditure chart does not include transfers to the Capital Fund per the Cash Balance Policy as staff is proposing changes to the policy adopted in April 2022.

Total expenditures for the General Fund: \$5,557,075

Note: 50% of Finance & Public Works personnel services and 30% of Administration salaries are charges to the Water and Sewer Fund

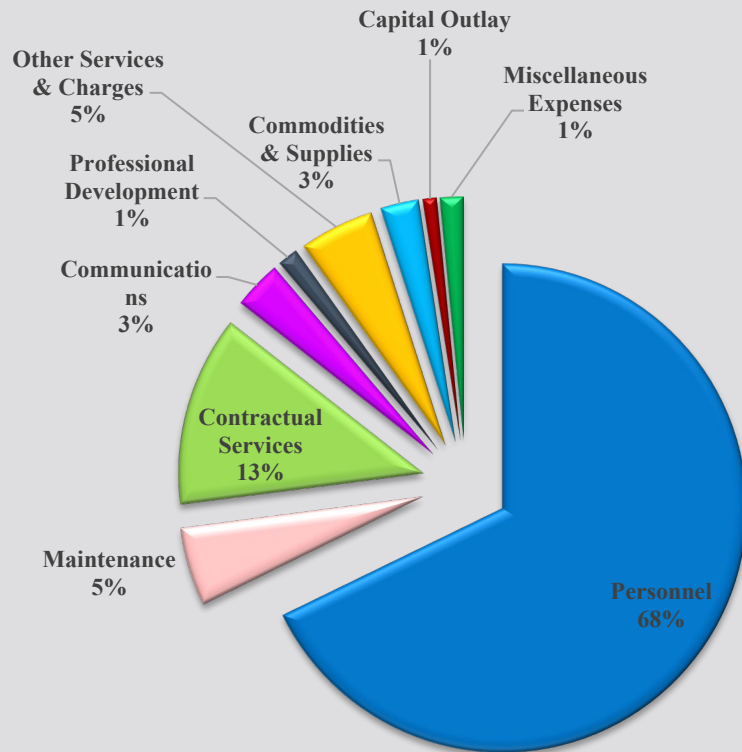
Personnel



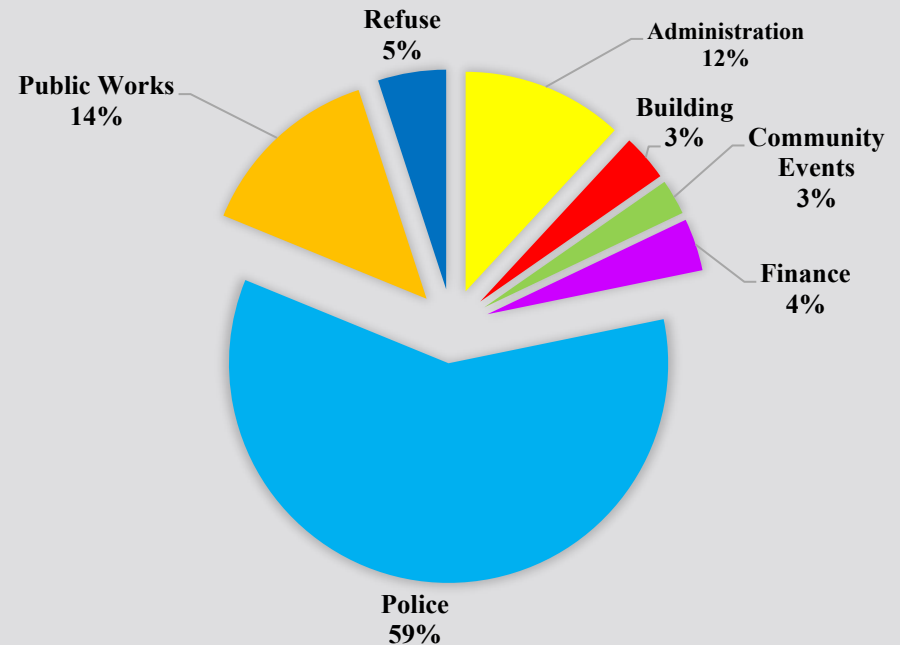
- Changes in personnel cost are attributed to:
 - Filling vacant Public Works position
 - COLA and merit increases
 - ✦ 3% COLA plus 3% step increases for Public Works
 - ✦ 3% COLA plus 3% step increases for Police
 - Increase insurance cost
 - ✦ Proposed increase in employee deduction for medical, dental, and vision insurance offset the 2-6% premium increase

General Fund Summary

General Fund Expenses by Category



Expense Distribution by Department



General Fund Summary

POLICE



- **INCLUDED IN BUDGET**

- Police Pension Contribution
- Begin computer replacement cycle with the purchase of 3 new desktop computers and purchase at least 3 tablets for squad cars

- **BUDGET ADDITIONS/CHANGES**

- Added Enterprise lease to budget for \$68,000

General Fund Summary

POLICE



- **DEFERRED EXPENDITURES**

- Additional (\$338,067) contribution into Police Pension Fund

General Fund Summary

PUBLIC WORKS



- **INCLUDED IN BUDGET**

- Proposed salary increases for union employees only; non-union employees will receive COLA & merit increases on January 1, 2024
- Fill vacant Public Works Laborer position

General Fund Summary



COMMUNITY EVENTS

- Includes
 - Motor Monday
 - Wine Down Wednesday
 - Thirsty Thursdays
 - Friday Concerts in the Park
 - Oktoberfest
 - Dickens in Dundee
 - Continue Partnership for St. Patrick's Day & Memorial Day
 - Shredding Events

Community Events Budget per Event

Wine Down Wednesday	8,242
Thirsty Thursday	25,475
Oktoberfest	74,928
Dickens in Dundee	13,487
St. Patrick's Day	2,817
Motor Monday	1,000
Shredding Event	800
Riverside Parade of Lights	1,000
Concerts in the Park	2,000
Dundee Township Family Fun	200
Flag Day	100

TOTAL EVENT BUDGET	130,049
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TIF and BDD Funds Budget Overview



TIF and BDD Funds Budget Overview



- **INCLUDED IN BUDGET**

- Three 50/50 Commercial Façade Grants
- Depot Complex Improvements (restroom renovation)
- Water system/main improvements (between Railroad & North Streets)
- Property Acquisitions (Haeger Pottery parking lot, Lumber Yard, & 2 N. Van Buren)

TIF and BDD Funds Budget Overview



FUTURE REDEVELOPMENT AND DEVELOPMENT PROJECTS

- **408 BARRINGTON**
- **HAEGER POTTERY & PARKING LOT**
 - **LUMBER YARD**
 - **2 N. VAN BUREN**
 - **4 N. VAN BUREN**
- **DOWNTOWN PARKING LOT**

Water & Sewer Fund Budget Overview

Water & Sewer Fund 60

Consolidated in FY21 to create Water and Sewer Fund



Budget

General Fund Summary

WATER & SEWER FUND



- **INCLUDED IN BUDGET**

- Inflow and infiltration study
- Water distribution system evaluation
- SCADA upgrade
- Purchase Hill Street lift station grinder
- Purchase pump for Prairie Lakes lift station replacement
- Purchase dry weather pump
- \$50,000 Contingency

Cash Balance Policy

General Fund (01) and Water & Sewer Fund (60)



CASH BALANCE POLICY

- Amend the original Cash Balance Policy adopted April 2021 to the following:
 - Balance of Police Pension Fund contribution
 - 50% of access cash balance (minus Police Pension contribution) to transfer to the Capital Improvement Plan
 - \$651,054 increase to cash balance

FY 2023 - Projection

Cash Balance Transfer Policy - Reserve & Restricted Use			
Fund	General Fund	Water & Sewer Fund	Total
FY2023 Projected Expenses (Water & Sewer Includes Capital)	6,491,056	2,998,780	9,489,836
Estimated Ending Cash Balance April 30, 2023	7,003,764	2,436,524	9,440,288
Estimated Cash Balance Reserve %	108%	81%	99%
35% Cash Balance Reserve (Required per Policy)	2,271,870	1,049,573	3,321,443
Estimated Excess (Surplus) April 30, 2023 <i>For Additional Police Pension Contribution</i>	328,992	-	328,992
Estimated Excess (Surplus) April 30, 2023 <i>50% of Surplus into Capital Projects Fund</i>	651,055	-	651,055
Estimated Excess (Surplus) April 30, 2023 (Includes 35% Reserve)	6,023,718	2,436,524	8,460,242

Projecting 50% of excess based on estimated surplus

Final surplus to be determined by audit

CASH BALANCE POLICY

SY 2023 - Proposed



- **DRAFT A GENERAL POLICY THAT INCLUDES THE FOLLOWING**
 - Maintain a cash balance of a minimum of 35% reserve in both the General and Water & Sewer Funds
 - 25% of budgeted expenditures
 - 10% cash flow reserve
 - General Fund excess (surplus) to be allocated as follows:
 - Addition contribution into the Police Pension Fund to meet the minimum requirement as presented by Lauterbach & Amen.
 - Transfer 50% of excess (surplus) cash (less Police Pension contribution) into the Capital Improvements Fund
 - Water & Sewer Fund excess (surplus) to be allocated as follows:
 - 100% of excess restricted for capital projects within the Fund
- **ANTICIPATE CHANGE IN POLICY FOR THE CY 2024 BUDGET**

Final surplus to be determined by End of Year estimated projection

Action Requested



Consensus Requested

- Cash Balance Policy: General Fund and Water & Sewer Fund

Conclusion – Next Steps



- **QUESTIONS & ANSWERS**
- **NEXT BUDGET MEETING**
- **THANK YOU!**