



# FY 2024 Budget Executive Summary

December 1, 2023

The Honorable Gina Cunningham, Mayor and Board of Trustees  
Village of Woodridge, Illinois

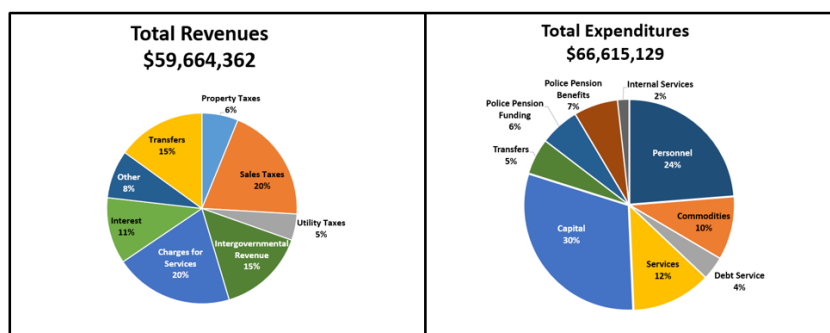
Dear Mayor Cunningham and Members of the Village Board:

On behalf of the Village of Woodridge's management team, we are pleased to submit to you the FY 2024 Budget for your consideration. The FY 2024 Budget proposes several policy decisions that were presented and discussed at the budget workshops held on September 26, October 5, October 19, November 2, November 9 and November 16. These are outlined below and will be considered by the Village Board during the December 7<sup>th</sup> Public Hearing.

- The creation of a plan to develop a balanced budget and eliminate the structural deficit in the General Fund through the implementation of a proposed 0.50% increase in the Village's home rule sales tax.
- Establish a Water/Sewer Capital Fund and a proposed rate increase of \$0.45 to the Village's water/sewer utility rate
- Approve Phase Two of the Facilities Plan, which authorizes construction of the new Public Works Facility
- Keep the Village's property tax rate flat/unchanged in the 2023 Property Tax Levy

## Budget Highlights

The Total Budget for FY 2024 is \$66.6M against revenues of \$59.7M. Capital outlay is the Village's largest expense at \$20.3M, equaling 30% of the budget, reflecting the Village's investment in our aging infrastructure. The proposed budget preserves the Village's core services and programs, while also continuing to make multi-million investments in the Village's infrastructure (e.g. roadways, sidewalks, water/sewer system, etc.) improvements and repairs





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Total capital improvements over \$20,000 across all funds is \$18.3M in FY 2024. Capital investment through the next five years totals nearly \$45M.

**Facility Improvements Project Phase #2** - The FY 2024 Budget proposes building a new Public Works facility with an anticipated construction timeframe of 2026. The project budget is \$20M, \$2M of which is included in the FY 2024 Budget. The Village will use approximately \$7M of cash on hand reserves to partially finance the construction, with an anticipated bond issuance to finance the remainder. The Board will also review and discuss, on a parallel timeframe, the future of the 1 Plaza Drive building for re-use or demolition

Other notable projects in FY 2024 include Village Marquee Electronic Message Board replacements, Automatic License Plate Readers, Janes Avenue Roadway Rehabilitation, 75th Street Frontage Road Resurfacing, as well as the 75th Street Sanitary Lift Station Cabinet Replacement.

### General Fund Budget

The General Fund Budget is \$25.9M against expected revenues of \$26.7M. This balanced budget is the result of the Village Board's commitment to improving the financial position of the General Fund by addressing the structural deficit that has existed over the past several years.

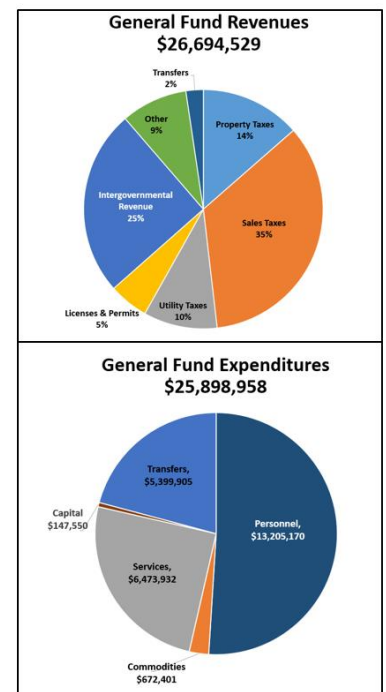
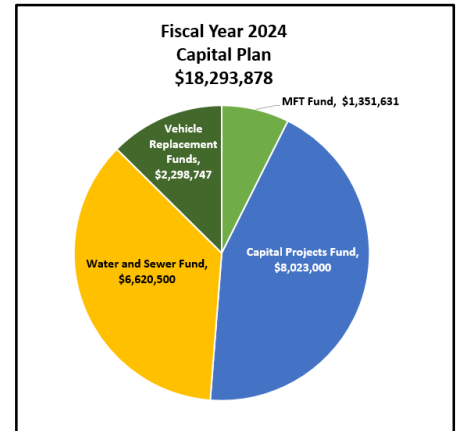
The Village has strong cash reserves, but cannot rely on one-time revenues (such as ARPA/CARES Act funding) or using reserves to balance the operating budget each year. As a result, the FY 2024 Budget includes a proposed 0.50% increase to the Village's Home-Rule Sales Tax, bringing the total sales tax rate to 8.25%, which is comparable to our neighboring communities. The new sales tax rate will be in effect as of July 1, 2024, if approved. The additional 0.50% increase will generate \$1.3M in new revenues in FY 2024 and will close the General Fund deficit.

General Fund Revenues total \$26.7M and are \$83,000 less than the FY 2023 Budget due to the final year of ARPA distributions in 2023. This revenue loss is offset by the proposed 0.50% increase to the Home-Rule Sales Tax rate.

The Village Board has taken a number of deliberate steps over the last several years to control operating expenses in order to maintain a low tax burden on Village residents, while also addressing structural imbalance in the budget. Since 2016, General Fund operating expenses have increased 2.3% on average, while the police pension contribution has increased over 10%.

In FY 2024, General Fund expenses increased 1.7% compared to FY 2023 Budget. This variance is driven, in part, by a 12% increase in professional services resulting from the new Police Facility maintenance and supplies contracts. This increase was offset by a 14% decrease in the Village's police pension contribution as the interest rate assumption changes put into effect in 2019 have now leveled off.

As illustrated in the General Fund Five-Year on the subsequent page, the General Fund is balanced throughout the next five years if the proposed \$0.50 Home-Rule Sales Tax increase is approved, along with continued fiscal restraint on expenditures.





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### Property Tax Rate Remains Flat in 2023 Tax Levy

The FY 2024 Budget proposes no change to the 2023 property tax levy rate, following Village Board direction to lessen the tax burden on residents. Total revenues from the 2023 Property Tax Levy that will be used to fund the police pension contribution are \$3,468,000, or 14% of total General Fund revenues. At \$0.2349 per \$100,000, the Village's 2023 tax rate ranks amongst the lowest in DuPage County.

#### General Fund Five-Year Projections

	Actual 2021	Actual 2022	Budget 2023	Year-End Est 2023	Budget 2024	2025	2026	2027	2028
Beginning Balance	\$ 20,810,651	\$ 20,262,218	\$ 21,618,062	\$ 21,618,062	\$ 24,202,240	\$ 24,997,812	\$ 26,402,577	\$ 27,363,912	\$ 27,866,381
Revenues	22,935,714	28,615,794	26,611,669	27,130,031	26,694,530	27,977,212	28,228,322	28,484,016	28,744,280
Operating Expenses	18,239,360	18,115,661	19,732,395	18,708,155	21,202,899	21,834,862	22,488,513	23,161,773	23,855,232
Rebates, Debt Service & Transfers	5,093,112	9,100,497	5,575,986	5,710,836	4,548,509	4,633,994	4,674,884	4,716,183	4,757,895
Capital Expenses	151,675	43,791	144,000	126,862	147,550	103,590	103,590	103,590	103,590
Surplus/Deficit	(548,434)	1,355,845	1,159,288	2,584,178	795,572	1,404,765	961,335	502,469	27,564
Total Fund Balances	\$ 20,262,218	\$ 21,618,062	\$ 22,777,350	\$ 24,202,240	\$ 24,997,812	\$ 26,402,577	\$ 27,363,912	\$ 27,866,381	\$ 27,893,944
Ending Balance/Next Year									
Operating Expense	72.70%	88.07%	87.95%	91.08%	91.68%	94.36%	95.29%	90.86%	90.95%

### Water/Sewer Funds

The FY 2024 Budget establishes the creation of the Water/Sewer Capital Fund, which is needed to accurately forecast capital planning. The FY 2024 Water and Sewer Capital Fund revenues are budgeted at \$1.9 million and reflect a \$0.30 increase to the Capital Improvement Fee for future water main replacements. Expenses in the Water/Sewer Capital Fund total \$6.6M and include funding for replacements of the 75<sup>th</sup> Street Lift Station and Crabtree Sanitary Interceptor. This deficit will be covered by reserves in the Water and Sewer Operating Fund.

The Water/Sewer Operating Fund revenues total \$10M against budgeted expenditures of \$8.9M. Effective rates for the Village of Woodridge for all water billed on and after January 1, 2024 are as follows:

- ✓ Water: \$8.85 per 1,000 gallons (reflects \$0.15 water rate increase)
- ✓ Sewer Maintenance Fee: \$0.90 per 1,000 gallons (no change)
- ✓ Capital Improvement Fee: \$1.40 per 1,000 gallons (thirty cent increase)
- ✓ Fixed Maintenance Fee: varies by meter size (no change)

