

Village of River Forest
FY 2022-2023
Annual Operating Budget

Tonight's Agenda

- Review FY 2023 budget presentation
- Review individual funds & departments
- Next Steps
 - Public Hearing: Monday, April 11, 2022, 7 pm
 - Approval: Monday, April 25, 2022, 7 pm



Village of River Forest

FY 2023 Budget

Highlights in the Budget Document

- The FY 2022 Budget received the GFOA Distinguished Budget Award, and the FY 2023 document as presented is designed to continue receiving this prestigious award.
- The goals & accomplishments in the budget are tied directly to the Village Board's goals and focused on our three guiding principles:
 - Ensure that the Village provides a safe and welcoming community for its residents, business owners, and institutional partners.
 - Enhance property values through strengthening quality of life.
 - Implement strategies to stabilize property taxes.

General Fund FY 2022 vs. FY 2023

	FY 2022 Budget	FY 2023 Budget	Increase (Decrease)	% Change
Revenues	\$16,737,075	\$18,189,106	\$1,452,031	8.68%
Recurring Expenditures	\$16,039,663	\$17,994,065	1,954,402	12.18%
Revenues over Recurring Expenditures	\$697,412	195,041		
Non-Recurring Expenditures*	614,819	533,818		
Total Revenues Over Expenditures	82,593	(338,777)		

- The General Fund operating budget, as presented, is balanced for FY 2023.
- The surplus in the FY 2022 budget was due to a budget amendment to account for the first tranche payment from the American Rescue Plan Act of 2021 (ARPA).
- *FY 2023 non-recurring expenditures include \$25,000 for a Permit Rate Structure Study, \$262,000 for the annual contribution to IRMA for liability insurance, and \$246,818 for Police pre-hires. These expenditures are intended to be funded with reserves.

General Fund - Revenues

Category	FY 2022 Budget	FY 2023 Budget	Change
Taxes	\$12,121,465	\$13,409,471	10.63%
Licenses & Permits	\$1,295,257	\$1,243,778	(3.97%)
Charges for Services	\$1,768,903	\$1,978,939	11.87%
Fines	\$269,469	\$260,381	(3.37%)
Interest	\$75,227	\$76,725	1.99%
Miscellaneous	\$430,606	\$441,436	2.52%
Grants & Contributions	\$776,148	\$778,376	.29%
Total	\$16,737,075	\$18,189,106	8.68%

General Fund - Revenues

- Property, sales, and income taxes make up approximately 63.09% of General Fund revenues.
- Sales tax revenues show an increase from the FY 2022 budget and are slightly below FY 2022 projections. FY 2022 projections are high due to the passage of the Leveling the Playing Field for Illinois Retailers' Occupational tax (ROT) and Use Tax (UT) in early 2021. This law requires many remote sellers to charge state and local ROT instead of UT.
- Property taxes increased \$375,018 from the FY 2022 budget. This increase is due to the 1.4% CPI increase and new property, and projections are based on the 2021 extended levy.
- The budget includes a 4.75%, or \$70,274, increase over the FY 2022 projections in income tax revenues based on the Illinois Municipal League projections. The Governor's proposed 2023 budget that is being proposed could also affect these estimates.
- Building permit revenues are down 3.07%. Projected FY 2022 revenues include building permits for the Lake & Lathrop mixed-use project. Residential and commercial construction activity continues throughout the Village and is expected to keep building, plumbing, and electrical permit revenues steady.

General Fund - Revenues

- Refuse revenues will increase over projected FY 2022 revenues. A new contract has been negotiated and will be considered for approval by the Village Board tonight.
- Fee changes
 - The FY 2023 budget includes no increase in solid waste collection fees and a new tiered rate option for composting fees. The cost of waste tags will not be increased.
 - No other fee increases are proposed in the General Fund for FY 2023; however, Village Staff continues to evaluate and review any possible fee adjustments for future Village Board consideration.

General Fund - Expenditures

Category	FY 2022 Budget	FY 2023 Budget	Change
Personal Services	\$7,598,620	\$7,998,240	5.26%
Benefits	\$5,389,104	\$5,439,155	.93%
Contractual	\$3,299,873	\$3,919,463	18.78%
Commodities	\$366,885	\$369,247	.64%
Transfers	\$0	\$801,778	100.00%
Total	\$16,654,482	\$18,527,883	11.25%

General Fund – Personal Services

Category	FY 2022 Budget	FY 2023 Budget	Change
Personal Services	\$7,598,620	\$7,998,240	5.26%

- The Village and the International Union of Operating Engineers, Local 150 contract is valid through April 30, 2022.
- The Village and the Fraternal Order of Police ratified a contract in September 2021, expiring on April 30, 2023.
- Both Fire union contracts will be executed pending an arbitrator’s ruling; the Village and IAFF reached an agreement on wages before arbitration.
- Future salary increases for all employees range from 2.00% to 2.75%, depending on the labor contract.
- The budget includes a 2.50% adjustment proposed for all non-union employees to contribute to the Village’s position as a desirable employer.
- The FY 2023 budget includes an additional part-time Community Service Officer in the Police Department and a full-time Human Resources Generalist in the Finance Department.

General Fund - Benefits

Category	FY 2022 Budget	FY 2023 Budget	Change
Benefits	\$5,389,104	\$5,439,155	.93%

- Police pension contributions to increase by \$24,961 or 1.29%.
- Fire pension contributions to increase by \$20,218 or 1.18%.
- The Village continues to beat industry trends with health insurance premiums through its membership in Intergovernmental Personnel Benefit Cooperative (IPBC).
- The budget includes decreases in HMO and Dental premiums, and a very modest increase in the PPO premiums for FY 2023.

General Fund - Contractual

Category	FY 2022 Budget	FY 2023 Budget	Change
Contractual	\$3,299,873	\$3,919,463	18.78%

- Contractual expenses include
 - Refuse collection of \$1,176,068 based on actual projections for FY 2022. There is no increase in FY 2023.
 - 9-1-1 dispatch contribution to WSCDC \$224,144, a 23.02% increase from last fiscal year due to communities leaving the center.
 - IT Support \$204,585 (Includes consultant fees, subscriptions, website, licenses, etc.).
 - Liability insurance & deductible \$261,353 (fiscal year reserves will be used to fund this expense).
 - Consulting services \$324,000 (including consultants for the following Boards and Commissions: DEI, Age-friendly, Traffic and Safety, and Sustainability. Other consulting projects include a professional land-use study, permit fees structure, and miscellaneous consulting for Village operations).

General Fund - Contractual

- Ongoing Services
 - Professional Services (Actuary, Legal, Audit, Inspection, Plan Review, IT Support, Meeting Minute Preparation)
 - Maintenance of Infrastructure, Facilities, Vehicles, Equipment, and Trees (including reintroduction of street maintenance program)
 - Community Services (e.g. Senior Snow Removal, Crossing Guards)
 - Communications (Consulting & Service Lines)
 - Dispatch Services
 - Liability Insurance
 - Leaf Pick-up
 - Scavenger Services
 - Software Licenses
 - Board/Commission Items (e.g. BFPC Hiring, Sustainability)
- One-Time Expenses Proposed for FY 2023
 - Evaluation of Permit Fees
 - Community-Wide Comprehensive Traffic Study
 - Zoning Ordinance Review
 - DEI Consultant
 - Age Friendly

General Fund - Commodities

Category	FY 2022 Budget	FY 2023 Budget	Change
Commodities	\$366,885	\$369,247	.64%

- The .64% increase in the budget is mainly due to decreased equipment purchases and increased expenses for crime prevention. Revenues from the state-imposed Cannabis Tax offset these crime prevention expenses.

General Fund – 3 Year Projections

	FY 2022 Estimated	FY 2023 Budget	FY 2024 Projected	FY 2025 Projected
Revenues	\$18,733,511	\$18,189,106	\$17,795,589	\$18,107,926
Expenditures	\$16,481,623	\$18,527,883	\$18,691,937	\$19,102,892
Revenues over Expenditures	\$2,251,888	(\$338,777)	(\$896,348)	(\$994,966)
Beginning Unassigned Fund Balance	\$5,523,073	\$7,774,961	\$7,436,184	\$6,539,836
Ending Unassigned Fund Balance	\$7,774,961	\$7,436,184	\$6,539,836	\$5,544,870

Village of River Forest

FY 2023

General Fund Departmental

Budgets

Administration, Finance, Boards & Commissions

- FY 2022
 - Continued the Village’s efforts to respond to the COVID-19 pandemic through communications, community vaccinations, collaborated with the Senior Response team, evaluated the financial impact on the Village and its stakeholders, and offered assistance.
 - Continued to assist the Police Department with implementation of smart city/public safety technology enhancements.
 - Continued to implement improvements in the Village’s communication with the public. Evaluated and implemented strategies that expanded the Village’s social media presence and proactive communications.
 - Continued collaborative efforts with the River Forest Township, Concordia University, and other community partners to expand the Village’s AARP Age Friendly and Dementia-friendly initiatives.
- FY 2023
 - Continue implementing recommendations of the Comprehensive Plan and Affordable Housing Plan, which includes a review of the Village’s Zoning Ordinance.
 - Pursue development of key properties in the TIF District and commercial corridors.
 - Negotiate a successor agreement with the Public Works Union.
 - Support the mission and goals of the Village’s advisory boards, commissions, and committees including the Economic Development Commission, Historic Preservation Commission, Age-Friendly Committee, DEI Advisory Group, and Collaboration Committee.
 - Continue collaborative efforts to plan for the possible expansion/improvement of the River Forest Civic Center Authority Building.

Police

- FY 2022
 - Hosted quarterly Community Safety Meetings as part of a strong public outreach strategy and utilized electronic communications to broaden outreach. Utilize existing Village communication tools (website, e-news, Facebook, crime alerts) as part of a well-rounded communications strategy.
 - Expanded and enhanced use of smart city technology to apprehend offenders and prevent criminal acts within the Village.
 - Monitored and observed the effects of non-violent offenses, such as criminal damage and vandalism, and quality of life issues, such as homelessness, mental health, and drug abuse, to determine if additional resources or public/private partnerships are needed to strengthen community relations.
 - Implemented recommendations from the River Forest Bicycle Plan, including additional training to enhance Bicycle Officers' knowledge and abilities.
 - Identified community partnership programs such as Neighborhood Watch, Vacation Watch, and shared residential security camera programs that can reinforce community pride and commitment to homeowner engagement in common public safety goals.
- FY 2023
 - Improve Police Officer Candidate training and evaluation process to ensure quality candidates are attracted and retained.
 - Expand/enhance the use of smart city technology to act as a force multiplier.
 - Continue to examine police revenue by evaluating police fines and applying for grant funds.
 - Further Community/Problem Policing Oriented Strategies - attend block parties and expand the Police Department's presence at community events and functions.
 - Continue public education and community outreach initiatives.

- FY 2022
 - Used the Village website and social media to enhance public safety communications with residents.
 - Improved fire and safety awareness through public education in the schools and expanded public outreach programs, emphasizing programs for the older adult population.
 - Developed COVID vaccine distribution plan with TRIPCOM, subject to IDPH approval.
 - Provided and promoted the availability of voluntary home fire inspections with both the fire prevention bureau and shift personnel.
 - Completed numerous public education programs and implemented COVID-19 “drive-by parades.”
- FY 2023
 - Update the rules and regulations for the Fire Department.
 - Improve Firefighter Candidate training and evaluation process to attract and retain quality candidates.
 - Continue public outreach and educational programs, attending community events and providing classes and training on various topics.
 - Continue training of Fire Department personnel on dementia and aging, emergency response, incident command, vehicle machinery operations, advanced firefighting, etc.
 - Implement Code updates.

Public Works & Development Services

- FY 2022
 - Snow and ice response was enhanced through the expansion of salt brining additional streets throughout the Village, which included the purchase of additional salt brining equipment.
 - Continued the installation of speed radar signs by Public Works staff.
 - Continued implementation of sustainable projects through the installation of permeable paver alley projects.
 - Continued to use the Village's communication tools (website, email subscriptions) to inform residents about stormwater/flooding issues and capital projects.
 - Implemented LAMA permitting and licensing software to enhance customer service.
- FY 2023
 - Complete implementation of automated metering infrastructure.
 - Continue enhancements to the Village's stormwater management system by accelerating the Village's alley improvement program, completing the Stormwater Management Plan, and Keystone Avenue improvements.
 - Continue other key infrastructure improvements to the Village's streets, sidewalks, and water distribution system.
 - Enhance public safety by installing radar speed signs and street cameras and expanding the use of salt brine in snow-fighting operations.
 - Proactive tree trimming on Village trees.
 - Work closely with the Zoning (Village) Administrator on zoning entitlement applications and implementation of possible amendments to the Village's Zoning Ordinance.

Water/Sewer Fund

	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Revenues	\$6,801,072	\$6,940,962	\$5,821,034
Operating Expenses	\$5,022,325	\$4,606,754	\$5,013,334
Depreciation	\$355,000	\$380,756	\$380,756
Capital Expenses	\$2,452,000	\$2,032,591	\$933,709
Revenues over Total Expenses Excluding Depreciation (Impact on Cash and Investments)	(\$673,253)	\$301,617	(\$126,009)
Operating Revenues Over Operating Expenses including Depreciation (Impact on Net Position)	\$1,423,747	\$1,953,452	\$426,944

Water/Sewer Fund

Water and Sewer Fund Projects included in the FY 2023 CIP:

- Sewer relining and point repairs: \$175,000
- Stormwater master plan: \$106,709
- Pumping station improvements: \$110,000
- Water tower improvements: \$10,000
- Underground reservoir improvements: \$18,000
- Hydrant replacement: \$10,000
- Water main replacement: \$195,000
- Lake Street berm extension: \$90,000
- Basement protection subsidy: \$59,000
- Sewer lateral repair subsidy: \$50,000
- Lead service line replacement subsidy: \$50,000

Water/Sewer Fund

- Proposed Water and Sewer Rates:

- The Village sources Lake Michigan water from the City of Chicago. Annual water rate increases from the City of Chicago are typically passed on directly to Village residents. The FY 2023 budget includes a water rate increase on 6/1/22 to offset the cost of water purchased from the City of Chicago.
- The City of Chicago’s code provides for an increase in the water rate on June 1 of each year by 5% or the January to January increase in the CPI, whichever is lower. The City announced a rate increase of 5.00% effective June 1, 2022.
- Following the water rate increase from the City of Chicago and the water and sewer rate study results that provides funding for ongoing capital improvements and promotes new programs, the FY 2023 budget includes a 6.02% increase in water and sewer rates. Without these increases, the Village would not satisfy its policy that requires a minimum fund balance of 25%.

	FY 2022	FY 2023 (6/1/23)	\$ Change	% Change
Water Rate	\$6.82	\$7.32	\$0.50	7.33%
Sewer Rate	\$4.39	\$4.57	\$0.18	4.10%
Total Rate	\$11.21	\$11.89	\$0.68	6.02%

Water/Sewer Rate Projections

	6/1/19	6/1/20	6/1/21	6/1/22	6/1/22	6/1/23	6/1/24
Water Rate	6.66 Chicago	6.77 Chicago	6.82 Chicago	6.98 Chicago	7.32 RF	7.61 Chicago/RF	7.90 Chicago/RF
Sewer Rate	4.39	4.39	4.39	4.39	4.57	4.69	4.81
Total Rate	11.05	11.16	11.21	11.37	11.89	12.30	12.71
% Increase	0.27%	1.00%	0.45%	1.43%	4.59%	3.67%	3.67%

- The updated water and sewer rate analysis includes higher capital allocations for the stormwater master plan and subsidy programs for lead service lines, sewer laterals, and overhead sewers. The study considered existing annual maintenance programs, including sewer relining, water main replacements, sewer point repairs, and debt service payments.
- The projected fund balance reserves for FY 2023 are above the required 25% of the subsequent year's operating expenses, mainly due to receipt of bond proceeds. Projected fund balances decreased to just above the 25% required in FY 2024 and FY 2025, with the rate increases built into the projections.
- Projections assume a 3.67% combined water and sewer rate increase on June 1, 2023, and 2024, respectively. These projections include increases to account for future projects and cover an estimated annual 2.45% increase in the cost of water by the City of Chicago. These projected rate increases consider the new programs being offered, debt obligations, and increases in operational and capital allocations.

Water/Sewer Fund 3-Year Projection

	FY 2022 Estimated	FY 2023 Budget	FY 2024 Projected	FY 2025 Projected
Projected Revenues	\$6,940,962	\$5,821,034	\$6,018,881	\$6,218,364
Projected Expenses (Excluding Depreciation)	\$6,639,345	\$5,947,043	\$6,392,270	6,150,790
Revenues over Expenses (Excluding Depreciation)	\$301,617	(\$126,009)	(\$373,389)	\$67,574
Beginning Cash and Investments	\$1,665,485	\$1,967,102	\$1,841,093	\$1,467,704
Ending Cash and Investments	\$1,967,102	\$1,841,093	\$1,467,704	\$1,535,278

Pension Funds

- The Police and Firefighters Pension Funding Policies were amended in FY 2019. The contributions included in the FY 2023 Budget align with those changes to the policies. Some adjustments to projections were made to account for actual results.
- The recommended interest rate assumption for both funds is 7.0%. Both funds are assuming 7.0%.
- The FY 2023 budget represents the expected amount of the 2022 property tax levy. The FY 2022 budget was based on actuarially required contributions determined by the Village's actuary. The projected future levy amounts are using the actuarial assumptions.
- Pension fund contributions are projected to increase by 1.24% in FY 2023.

	FY 2022 Budget	FY 2022 Budget	Change	% Change
Police Pension	\$1,934,942	\$1,959,903	\$24,961	1.29%
Fire Pension	\$1,713,382	\$1,733,600	\$20,218	1.18%

- The Motor Fuel Tax (MFT) Fund is used to fund the Street Improvement Program.
- \$350,000 for road resurfacing of Iowa Street (Dead End east of Park Ave to Harlem Ave), Monroe Ave (Augusta to Chicago), and William St (Augusta to Chicago).
- \$54,766 for Snow and ice control expenditures
- \$50,000 for Crack sealing
- \$90,000 for Street patching

- Although the Village temporarily suspended transfers from the General Fund, the Village continued to make substantive investments, with General Fund items funded at 84.26% and Water and Sewer Fund items funded at 59.81%. Overall, the Capital Equipment Replacement Fund is 80.58% funded.
- The expected amount of interest revenue reduces the required annual transfer to the fund during the fiscal year.
 - Water and Sewer Fund contributions are steady to account for future replacements.
 - The General Fund contributions are slightly increased to account for the two-year suspension and future replacements of new purchases.

Projects as recommended by the Village Board in January:

- Vehicles:
 - Police - \$103,176
 - Fire - \$263,500
 - Public Works -\$241,200
- Building Improvements:
 - Police Firing Range Rehab - \$33,477
- Equipment:
 - Police Radios (PD) - \$40,411
 - SCBA Breathing Air Compressor (FD) - \$45,000

- Capital Improvement Fund (CIF)
 - The fund was created in FY 2014 and is funded by automated traffic control enforcement system revenue (considered non-recurring for budgetary purposes), grants, and the portion of parking lot fees that are to be included in the parking fund reserve.
 - It accounts for various capital improvements, including computer systems, alleys, commuter parking lots, streetscape, Village Hall, and Public Works Garage Improvements.

CIF Projects

- Projects as included in the FY 2023 Budget:
 - Village Hall Improvements - \$43,000
 - Public Works Garage Improvements - \$35,000
 - Information Technology Improvements - \$386,720
 - Alley Improvements - \$2,522,582
 - Bicycle Plan Implementation - \$46,000
 - Street Camera System Strategic Plan - \$105,144
 - Parking Lot Improvements - \$150,000
 - Evaluation of Electric Vehicle Charging Stations - \$25,000



Village of River Forest

FY 2023

Future Years - General Fund

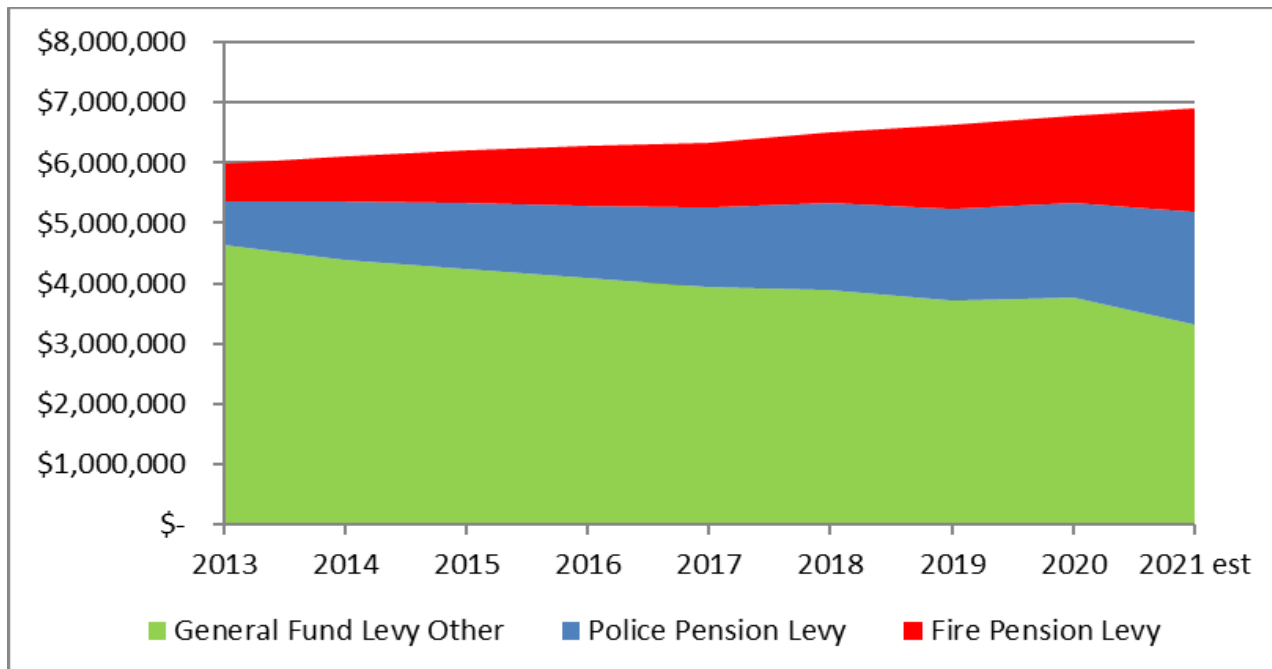
Future Years – General Fund

- FY 2023 budget includes \$533,818 in one-time expenditures in the General Fund including consulting services, payment of the annual liability insurance premium and salary items. All will be financed using available reserves.
- The General Fund operating budget, as presented, is balanced for FY 2023.
- As discussed previously, deficits are projected in FY 2024 and FY 2025.

	FY 2022 Estimated	FY 2023 Budget	FY 2024 Projected	FY 2025 Projected
Revenues	\$18,733,511	\$18,189,106	\$17,795,589	\$18,107,926
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Beginning Unassigned Fund Balance	\$5,523,073	\$7,774,961	\$7,436,184	\$6,539,836
Ending Unassigned Fund Balance	\$7,774,961	\$7,436,184	\$6,539,836	\$5,544,870

Future Years – General Fund

- The Property Tax Levy for the Village’s contributions to the Police and Firefighter Pension Funds has increased by \$1,920,100 from 2013 to 2021.
- The General Fund property tax levy for all other purposes has decreased by \$961,226 over the same period.
- Future pension fund increases are expected to be higher than the increase in the CPI.



Future Years – General Fund

- Expenditures
 - The Village continues to beat industry trends for health insurance premiums & property/casualty/WC.
 - Continue to budget conservatively and strategically draw down on fund balance for non-reoccurring expenditures in lieu of revenue enhancements.
 - Maintain nominal salary growth to remain competitive as an employer, and evaluate pension contributions.
 - The Village is a service organization striving to achieve the goals set by our Village President and Board of Trustees with over 93% of the General Fund budget allocated for Salaries and Benefits (72.6%) and Contractual Services (21.15%).

Future Years – General Fund

- Revenues
 - The 2022 Property Tax Levy can include up to a 5.00% increase or the increase in the Consumer Price Index (CPI), whichever is less as permitted per the Property Tax Extension Limitation Law (PTELL). The increase in the CPI from December 2020 – December 2021 was 7.0%.
 - Staff will review current fines and charges for service (e.g. parking fees, ambulance fees) and recommend amendments where and when appropriate.

Next Steps

- Despite challenges, the Village's finances are in strong position.
- Departments remain focused on critical items and limiting non-essential spending.
- Shared & state-reported revenues are on a three-month delay (April sales tax from sales incurred in January).
- Staff will evaluate other fee and fine charges for future Board discussion.
- The Village will continue to aggressively pursue grant funding for eligible Village projects.

Question & Answer

- Acknowledgments
- Review/questions of individual departments & funds