

**Village of River Forest**  
**FY 2020**  
**Annual Operating Budget**

# Today's Agenda

- Review FY 2020 budget presentation
- Review individual funds & departments
- Schedule any follow-up meetings

Public Hearing

Monday, April 8, 2019, 6 pm

Approval

Monday, April 8, 2019, 7 pm

# Highlights in the Budget Document

- The FY 2019 Budget received the GFOA Distinguished Budget Award and the FY 2020 document as presented is designed to continue receipt of this prestigious award
- The 5-Year Capital Improvement Plan is included as previously reviewed by the Village Board
- Performance and activity measures are included for all departments
- The goals and accomplishments in the budget are tied directly to the Village Board's goals

# General Fund FY 2019 vs. FY 2020

	FY 2019 Budget	FY 2020 Budget	Increase (Decrease)	% Change
Revenues	\$15,655,737	\$16,449,796	\$794,059	5.07%
Recurring Expenditures	15,792,330	16,187,825	395,495	2.50%
Revenues over Recurring Expenditures	(136,593)	261,971		
Non-Recurring Expenditures*	206,500	356,244		
Total Revenues Over Expenditures	(343,093)	(94,273)		

- The General Fund operating budget, as presented, is balanced for FY 2020.
- FY 2020 non-recurring expenditures include \$75,000 for the implementation of the comprehensive plan, a \$50,000 in one time transfers to the TIF Funds, \$30,000 in legal fees, \$26,244 for police radar equipment, \$150,000 for one pre-hire in Police and \$25,000 in escrow funds for trees. These expenditures are intended to be funded with reserves.

# General Fund - Revenues

Category	FY 2019 Budget	FY 2020 Budget	Change
Taxes	\$11,897,851	\$12,045,705	1.24%
Licenses & Permits	\$1,267,774	\$1,737,890	37.08%
Charges for Services	\$1,753,077	\$1,851,561	5.62%
Fines	\$282,522	\$269,707	-4.54%
Interest	\$92,726	\$115,550	25.22%
Miscellaneous	\$323,716	\$390,852	20.80%
Grants & Contributions	\$38,521	\$38,531	.03%
<b>Total</b>	<b>\$15,655,737</b>	<b>\$16,449,796</b>	<b>5.07%</b>

# General Fund - Revenues

- Revenues for FY 2020
  - Property, sales, and income taxes make up approximately 63.2% of General Fund revenues
  - Sales tax revenues show a slight decrease due to some expected changes at Town Center with the loss of Rally House and a low CPI
  - Refuse revenues are higher due to an approved 2.50% increase on May 1, 2019
  - Property taxes increased \$71,251 from the FY 2019 budget . This increase is based on the CPI and projections on collections from the 2017 extended levy
  - The budget includes a 5.17%, or \$55,301, increase in income tax revenues based on the Illinois Municipal League projections and the reduction of the state imposed 10% fee to 5%
  - Building permit revenues are up 94.31% due to the approved planned development of the senior living facility at Chicago and Harlem

# General Fund - Revenues

- Fee changes:
  - The budget includes the previously approved 2.50% increase in solid waste collection fees, 2.74% increase in composting fees and a \$0.10 increase in waste tags
  - The budget includes an increase in parking lot fees. The schedule of planned increases was approved in July of 2018 for both daily and monthly passes. This was based on the growing market and to keep pace with surrounding communities
  - No other fee increases are proposed in the General Fund for FY 2020; however, Village Staff is in the process of a comprehensive evaluation of possible fee adjustments for FY 2021

# General Fund - Expenditures

Category	FY 2019 Budget	FY 2020 Budget	Change
Personal Services	\$6,917,131	\$7,260,014	4.96%
Benefits	\$4,671,623	\$4,764,901	2.00%
Contractual	\$3,556,030	\$3,585,331	.82%
Commodities	\$379,875	\$427,028	12.41%
Transfers	\$474,171	\$506,795	6.88%
<b>Total</b>	<b>\$15,998,830</b>	<b>\$16,544,069</b>	<b>3.41%</b>



# General Fund – Personal Services

Category	FY 2019 Budget	FY 2020 Budget	Change
Personal Services	\$6,917,131	\$7,260,014	4.96%

- All of the Village's labor contracts expire April 30, 2019 except for the Fire contracts which expired as of April 30, 2016. The budget includes a 2% COLA adjustment proposed for all non-union employees.

# General Fund - Benefits

Category	FY 2019 Budget	FY 2020 Budget	Change
Benefits	\$4,671,623	\$4,764,901	2.00%

- Police pension contributions to increase by \$38,633 or 2.50%
- Fire pension contributions to increase by \$70,852 or 5.09%
- Health insurance premiums are expected to decrease slightly as the Village continues to trend lower than market averages
  - FY 2020 budget includes an overall 4.03% decrease for health and dental insurance

# General Fund - Contractual

Category	FY 2019 Budget	FY 2020 Budget	Change
Contractual	\$3,556,030	\$3,585,331	.82%

- Contractual expenses include
  - IT Support \$145,270 (Includes consultant fees, subscriptions, website, licenses, etc.)
  - Refuse collection of \$1,093,840 includes May 1, 2.50% increase
  - 9-1-1 dispatch contribution to WSCDC \$435,435
  - Liability insurance & deductible \$300,366

# General Fund - Commodities

Category	FY 2019 Budget	FY 2019 Budget	Change
Commodities	\$379,875	\$427,028	12.41%

- The 12.41% increase in the budget is mainly due to the purchase of permanently mounted speed limit radar signs that will be funded by general fund reserves

# General Fund – 3 Year Projections

	<b>FY 2019 Estimated</b>	<b>FY 2020 Budget</b>	<b>FY 2021 Projected</b>	<b>FY 2022 Projected</b>
Revenues	\$15,780,753	\$16,449,796	\$16,196,932	\$16,450,229
Expenditures	\$15,713,021	\$16,544,069	\$16,560,146	\$16,883,270
Revenues over Expenditures	\$67,732	(\$94,273)	(\$363,214)	(\$433,040)
Beginning Unassigned Fund Balance	\$5,900,900	\$5,968,632	\$5,874,359	\$5,511,145
Ending Unassigned Fund Balance	\$5,968,632	\$5,874,359	\$5,511,145	\$5,078,105



# **Village of River Forest**

**FY 2020**

## **General Fund Departmental Budgets**

# Administration

- FY 2019
  - Continued efforts to enhance the Village's collaboration and communication efforts including the launch of the community calendar
  - Completed IT strategic plan to identify and prioritize technology related initiatives
  - Completed Village Hall 2<sup>nd</sup> Floor improvements to improve customer service
  - Oversaw completion of the new Comprehensive Plan
  - Implemented North Avenue TIF District
  - Worked with Lake & Lathrop businesses to relocate to Madison Street and complete tenant improvements
  - Continued implementation of Sustainability Commission initiatives including Beekeeping permits and SolSmart designation application
- FY 2020
  - Evaluate and expand social media presence and communication efforts
  - Leverage technology such as Smart City applications and new permitting software to improve customer service and the efficiency/effectiveness of Village operations
  - Continue collaborative efforts including evaluation of efforts to improve/expand the RF Community Center
  - Explore and implement strategies to ensure RF provides a high quality of life for aging residents
  - Implement recommendations of the Comprehensive Plan
  - Negotiate successor Collective Bargaining Agreements
  - Work to implement and create meaningful reinvestment and redevelopment opportunities in key commercial corridors

- **FY 2019**
  - Continued public education and outreach efforts by hosting quarterly crime prevention meetings with residents, utilizing the Village's communication tools, participating in community events, etc.
  - Utilized data driven mapping and resident concerns to increase traffic enforcement initiatives;
  - Continued efforts to train personnel on various topics including leadership, dementia awareness, mental health, use of force, legal updates, etc. Personnel attended the Northwestern University Center for Public Safety training courses.
  - Continued use of technology to act as a force multiplier by expanding street cameras in Lake Street corridor
- **FY 2020**
  - Continue efforts to integrate GIS and CAD system data to enhance the quality of analysis and data-drive public safety decision making
  - Utilize technology to enhance/increase resident participation in community meetings (e.g. live streaming)
  - Continue review of departmental policies and procedures to reflect current standards and best practices
  - Continue training of police personnel in critical areas
  - Work alongside IT/Admin staff to create a strategic plan for additional street camera system implementation to enhance public safety



- FY 2019
  - Continued training for Department personnel, including dementia and mental health training; Obtained IFCA scholarships and FEMA grant to fund training for personnel
  - Worked alongside the Building Department to complete building code revisions that will be presented to the Village Board
  - Completed numerous public education programs that included training for residents, Citizens police academy participants, CERT and MRC volunteers in the areas of CPR/AED, First Aid, etc.
- FY 2020
  - Complete communication equipment upgrades including radio replacements and in-station alerting system
  - Implement building code updates and work with the businesses, residents, and the building community to understand any modified requirements
  - Continue public outreach and educational programs, attending community events and providing classes and training on various topics
  - Continue training of Fire Department personnel on issues related to dementia and aging, incident command, etc.
  - Update the Department's operations manual to reflect current standards and best practices

# Public Works

- FY 2019
  - Completed inventory of trees in the public ROW & made the data available online
  - Continued use of GIS to locate and map b-boxes and water services
  - Chicago Avenue resurfaced
  - Completed Gale Ave alley reconstruction & installation of permeable pavers
  - Expanded use of the Village's communication tools (website, email subscriptions) to inform residents about stormwater/flooding issues and capital projects
- FY 2020
  - Work alongside the Village's staff, developers and consultants to oversee construction of the developments at Lake & Lathrop (mixed use) and Chicago & Harlem (senior living)
  - Install & monitor deployable leak sensors to reduce water and revenue loss
  - Complete capital projects such as water tower repainting, water main replacement, and local alley reconstruction (e.g. Bonnie & Thomas), ensuring exceptional customer service and communication during all projects
  - Work alongside the Village's GIS consultant to expand data availability and enhance usability
  - Transition from 5-year to 4-year Village-wide tree trimming cycle to ensure urban forest health
  - Complete facility improvements including salt storage shed replacement and relocation of ComEd transformers at the Pumping Station

# Water / Sewer Fund

	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
Revenues	\$5,536,642	\$5,350,958	\$5,357,255
Operating Expenses	\$4,701,155	\$4,525,909	\$4,520,110
Depreciation	\$355,000	\$355,000	\$355,000
Capital Expenses	\$720,000	\$611,387	\$1,005,380
Revenues over Total Expenses Excluding Depreciation (Impact on Cash and Investments)	\$115,487	\$213,662	(\$168,235)
Operating Revenues Over Operating Expenses including Depreciation (Impact on Net Position)	(\$239,513)	(\$141,338)	(\$523,235)

# Water / Sewer Fund

- Water and Sewer Fund Projects included in the FY 2020 CIP:
  - \$300,000 for water main replacement
  - \$175,000 for sewer relining and point repairs
  - \$261,000 for the cleaning and repainting of the water tower
  - \$70,000 for pump station improvements
  - \$39,400 for flood barriers
  - \$70,000 for streets and sidewalk projects
  - \$46,000 hydrant and water meter replacement
  - \$107,380 for deployable leak sensors

# Water / Sewer Fund

## Proposed Water and Sewer Rates:

- The FY 2020 budget includes a water rate increase on 6/1/19 to offset the cost of water purchased from the City of Chicago. The Village did not increase water rates beyond the increase the city imposed. There was no increase to sewer rates.
- 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 .82% effective June 1, 2019.

	FY 2019	FY 2020 (6/1/19)	\$ Change	% Change
Water Rate	\$6.63	\$6.66	\$0.03	.45%
Sewer Rate	\$4.39	\$4.39	\$0.00	.00%
<b>Total Rate</b>	<b>\$11.02</b>	<b>\$11.05</b>	<b>\$0.03</b>	<b>.27%</b>

# Water / Sewer Rate Projections

	5/1/16	6/1/17	6/1/17	6/1/18	6/1/18	6/1/19	6/1/20	6/1/21
Water Rate	6.14 RF	6.39 RF	6.45 Chicago	6.58 RF	6.63 Chicago	6.66 Chicago	6.73 Chicago	6.80 Chicago
Sewer Rate	4.13	4.30	4.30	4.39	4.39	4.39	4.39	4.39
Total Rate	10.27	10.69	10.75	10.97	11.02	11.05	11.12	11.19
% Increase	8.7%	4.1%	0.6%	2.0%	0.5%	0.27%	0.63%	.63%

- The previous Water and Sewer Rate Study was updated in CY 2016. Baxter & Woodman's analysis has determined that the above proposed rate increases will be sufficient through 2021.
- In FY 2020 there is no rate increase budgeted for increases in operating and capital expenditures. The projected fund balance reserves are still well above the recommended 25% of the subsequent year's operating expenses. This continues in FY 2021 and 2022 with no operating rate increases anticipated.
- Rate increases of 0.63% effective June 1, 2020 and 2021 to cover increases in Chicago Water are anticipated; rates will not be increased until the actual amount is known.

# Water/Sewer Fund 3-Year Projection

	<b>FY 2019 Estimated</b>	<b>FY 2020 Budget</b>	<b>FY 2021 Projected</b>	<b>FY 2022 Projected</b>
Projected Revenues	\$5,350,958	\$5,357,255	\$5,388,369	\$5,423,521
Projected Expenses (Excluding Depreciation)	\$5,137,296	\$5,525,490	\$5,674,580	\$5,783,578
Revenues over Expenses (Excluding Depreciation)	\$213,662	(\$168,235)	\$70,789	(\$57)
Beginning Cash and Investments	\$1,530,985	\$1,743,688	\$1,575,453	\$1,646,242
Ending Cash and Investments	\$1,743,688	\$1,575,453	\$1,646,242	\$1,646,185

# Pension Funds

- The Police and Firefighters Pension Funding Policies were amended and approved for the FY 2019 budget. The contributions included in the FY 2020 Budget are in line with those changes to the policies. Some adjustments to projections were made to account for actual results.
- The recommended interest rate assumptions for both funds is 7.0%. Both funds are assuming 7.0%.
- The FY 2020 budget represents the expected amount of the 2019 property tax levy . The FY 2019 budget was amended to account for an increase in the actuarial required contributions that had previously been estimated by our actuary. The projected future levy amounts have been adjusted to reflect this increase also.
- Pension fund contributions are projected to increase by 3.73% in FY 2020

	FY 2019 Budget	FY 2020 Budget	Change	% Change
Police Pension	\$1,545,367	\$1,584,000	\$38,633	2.50%
Fire Pension	\$1,393,165	\$1,464,017	\$70,852	5.09%



- The Motor Fuel Tax (MFT) Fund is used to fund the Street Improvement Program
  - \$250,000 for road resurfacing of Central (Thatcher to Edgewood), Edgewood (Lake to Central), Bonnie Brae (Lake to Oak), Ashland (Chicago to Augusta), Bonnie Brae (Augusta to Division), Thomas (Bonnie Brae to Harlem), Edgewood (Lake to Thatcher), Forest (Lake to Chicago), Park (Lake to Chicago), Ashland (Lake to Central).
  - \$145,830 for Chicago Avenue remaining project costs
  - \$50,000 for Cracksealing

- CERF contributions are \$563,781 and include funding for vehicle and equipment purchases
- Overall the CERF is fully funded
  - The required annual transfers to the fund from the General and Water and Sewer Funds are reduced by the expected amount of interest revenue during the fiscal year
  - Water and Sewer Fund contributions are increased because future replacements are underfunded
  - The General Fund contributions have been increased slightly to account for future replacements of new purchases

- Projects as recommended by the Village Board in January:
  - Vehicles:
    - Police - \$85,682
    - PW Pick-up Truck- \$70,500
  - Equipment
    - Overweight Truck Scales (PD) - \$17,440
    - Street Camera System (PD) - \$14,570
    - SCBA Breathing Air Compressor (FD) - \$45,000
    - ALS Defibrillator(FD) - \$26,750
    - Chipper 1800 Model (PW) - \$90,000

- 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 parking fund reserve
  - It accounts for various capital improvements including computer systems, alleys, commuter parking lots, streetscape, and Village Hall and Public Works Garage Improvements.

# CIF Projects

- Projects as included in the FY 2020 Budget:
  - Village Hall Improvements - \$12,260
  - Public Works Garage Improvements - \$50,000
  - Information Technology Improvements - \$392,170
  - Alley Improvements - \$300,000
  - Parking Lot Improvements - \$75,000
  - Traffic Signal Improvements - \$133,000
  - Safe Routes to Schools Improvements- \$187,500
  - Police & Fire Radios - \$34,380

# Economic Development Fund

- \$18,900 for the incentive reimbursement for Mid America
- \$161,629 for the Lake and Lathrop approved project



**Village of River Forest**

**FY 2020**

**Future Years- General Fund**

# Future Years – General Fund

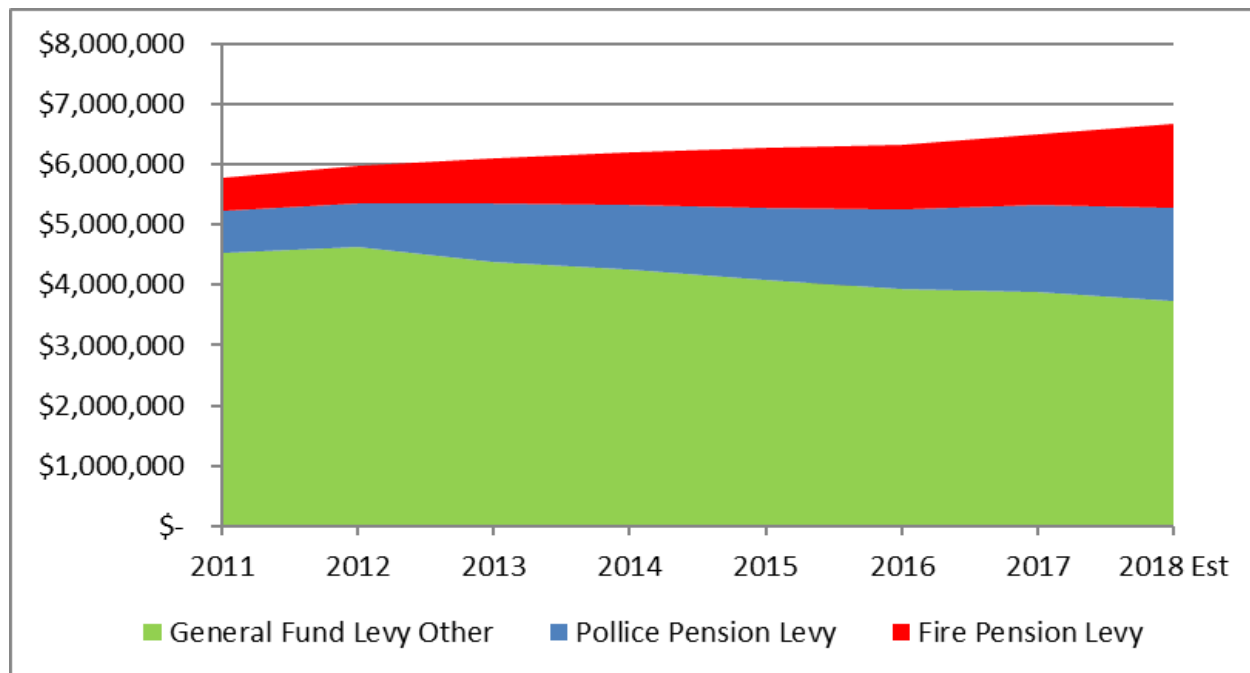
- FY 2020 budget includes \$356,244 in one-time expenditures in the General Fund including implementation of the Comprehensive Plan, transfers to the TIF Districts, radar equipment, salary items and legal fees. All will be financed with reserves
- The General Fund operating budget, as presented, is balanced for FY 2020
- As discussed previously, deficits are projected in FY 2021 and FY 2022

	<b>FY 2019 Estimated</b>	<b>FY 2020 Budget</b>	<b>FY 2021 Projected</b>	<b>FY 2022 Projected</b>
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# Future Years – General Fund

- The Property Tax Levy for the Village's contributions to the Police and Firefighter Pension Funds has increased \$1,685,280 from 2011 to 2018.
- The General Fund property tax levy for all other purposes has decreased \$809,664 over the same time period.
- Future pension fund increases are expected to be higher than the increase in the CPI.



# Future Years – General Fund

- Expenditures
  - There are few expenditure reductions that can be put in place without reducing services
  - The Village continues to beat industry trends for health insurance premiums & property/casualty/WC
  - Maintain nominal salary growth and evaluate pension contributions
    - 72.7% of the General Fund Budget is allocated to salaries and benefits and 70% of the workforce is unionized
  - Contractual Services account for 21.7% of GF expenses

# Future Years – General Fund

- Revenues

- The Property Tax Levy will include a CPI increase of 1.9% based on the December 2017 – December 2018 increase in the CPI
- Some revenue growth would be expected if staff recommendations for revenue enhancements get approved - including an increase in fines and charging for on-street parking in and around the Universities

# Conclusion

- Acknowledgments
- Review/Questions of individual departments & funds