

Village of Lindenhurst 2016 Budget Workshop

Lindenhurst



March 28, 2016

Budget Review Process

- ◉ December – February – Budget & Forecast Development
- ◉ February 2nd – Finance Committee Review of Forecast
- ◉ March 8th – Finance Committee Review of Budget
- ◉ **March 28th – Budget Workshop**
- ◉ April 11 – Tentative Budget Review
- ◉ April 25 – Public Hearing & Final Budget

Workshop Overview

- Overall Village Financial Picture
- FY 15/16 Performance
- Budget Overview
- Major Budget Decisions
- Executive Session
- Motion: Budget Recommendation

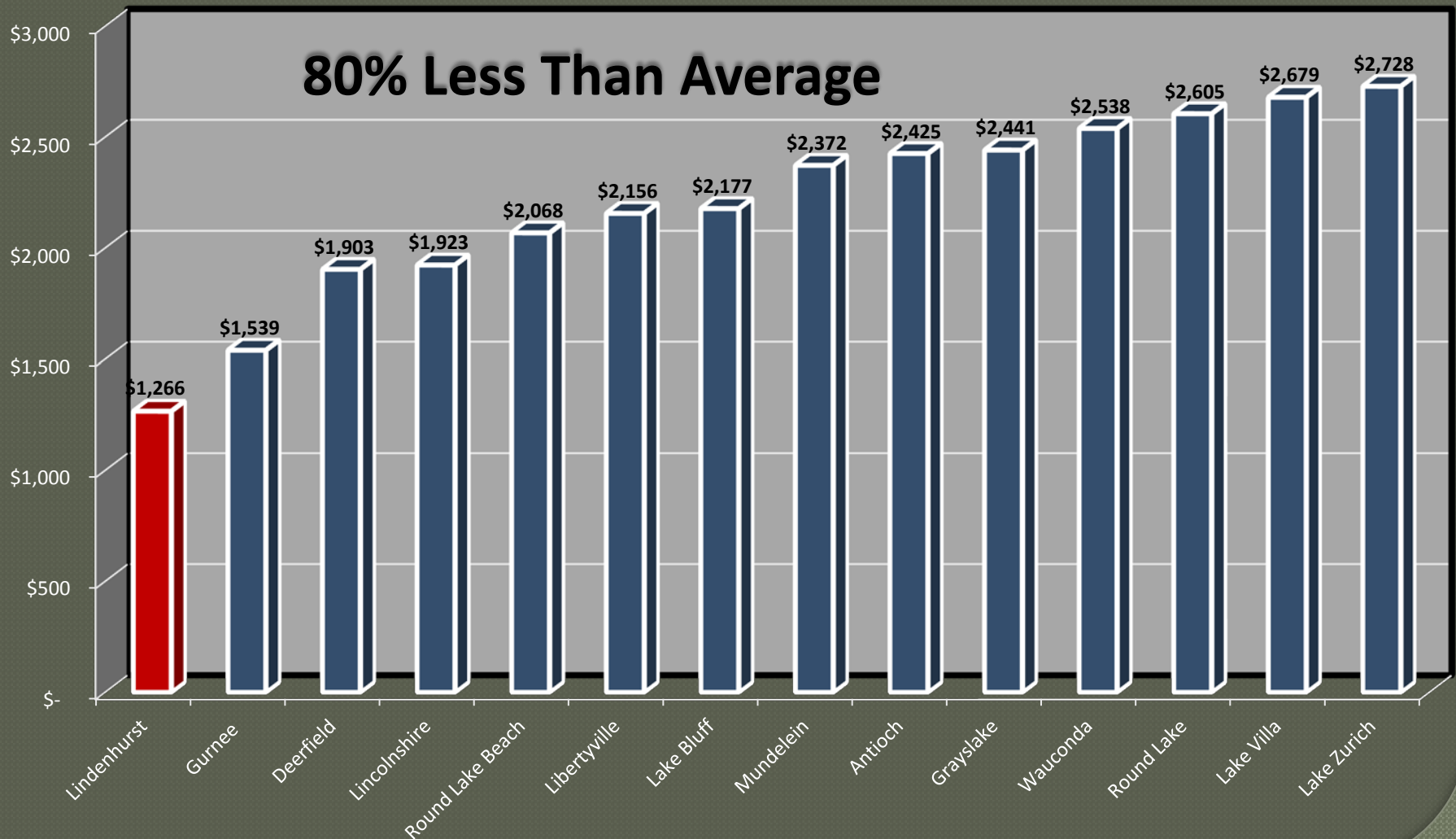
Financial Picture

- Overall financial position continues to be strong
- Some growth in revenues
- Zero Based Budgeting Approach
 - General Fund budget to budget – down \$59,402
 - Since 2008, spending is down \$1.6 million
 - Spending in FY 15/16 lowest since FY 03/04
 - FY 16/17 eliminates 3 full-time positions
- Major Operating Funds are balanced
- Fully meeting all pension obligations
- Significant Capital Infrastructure Investments

Village Finances

- Lindenhurst has always been a low revenue operation.
- Lindenhurst residents pay less than any other community.
 - Village receives 2.7% of the total property tax bill
 - Water Rates 209% below average
 - Garbage Rates fourth lowest in the area
 - Don't have many utility taxes and other charges

Lindenhurst Residents Pay Less



Where Do My Property Taxes Go?



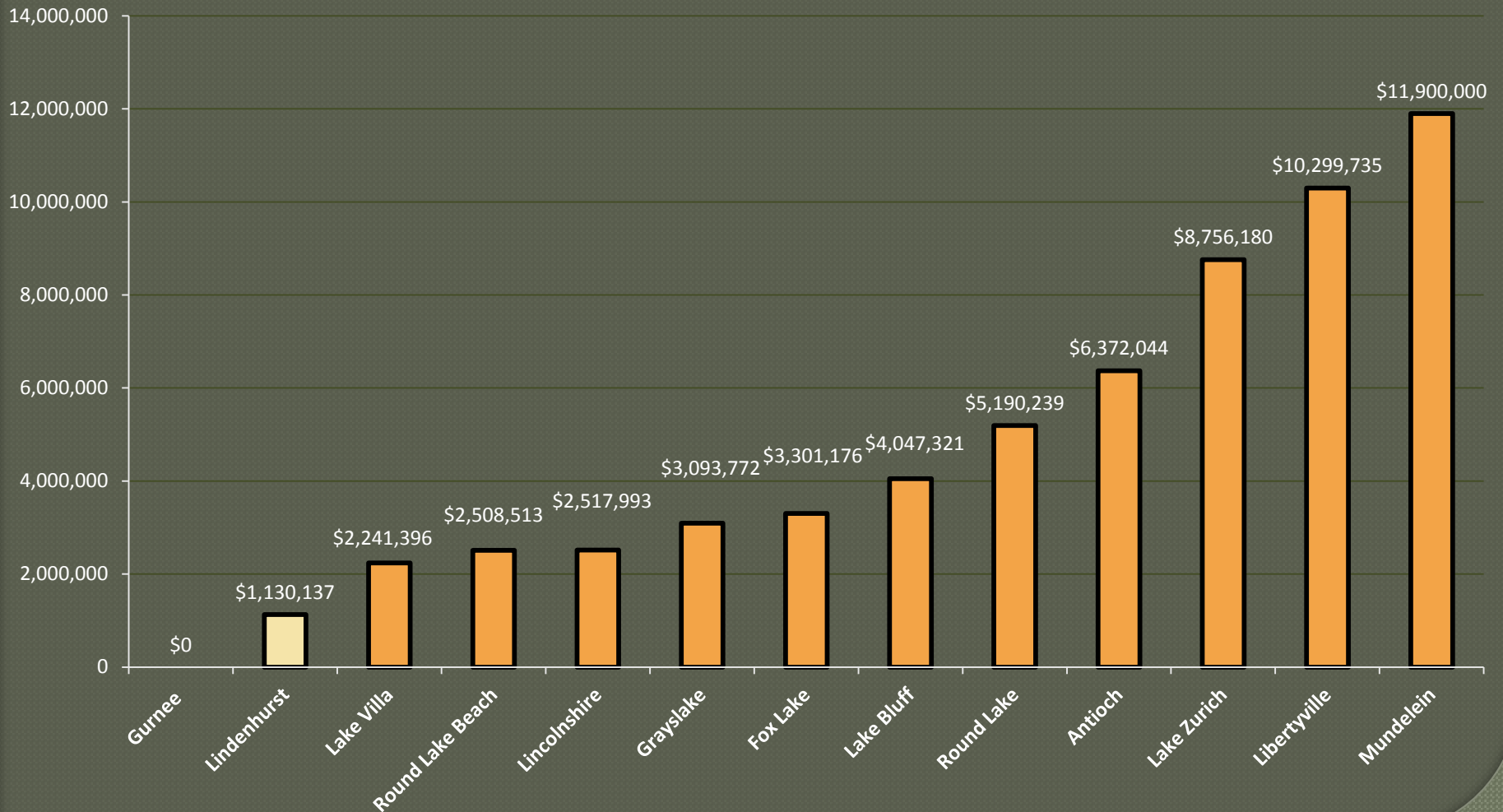
A \$250,000 home pays an annual tax bill of approximately \$11,941 (Millburn School District) and \$10,458 (Lake Villa School District)

- \$319 of that goes to the Village.

Total Annual Property Taxes Paid by a Resident				\$6,000	\$7,000	\$8,000	\$9,000
Annual Property Taxes Paid to the Village of Lindenhurst				\$174	\$203	\$232	\$261
Monthly Property Taxes Paid to the Village of Lindenhurst				\$14.50	\$16.92	\$19.33	\$21.75
	2016/2017 Budget	Monthly Budget	Percent of Spending	Monthly Cost	Monthly Cost	Monthly Cost	Monthly Cost
Administration and Finance	\$ 397,454	\$ 33,121	10%	\$1.40	\$1.64	\$1.87	\$2.10
Police Protection	\$ 2,219,299	\$ 184,942	54%	\$7.83	\$9.13	\$10.44	\$11.74
Public Works - Street Maintenance	\$ 729,384	\$ 60,782	18%	\$2.57	\$3.00	\$3.43	\$3.86
Building and Engineering	\$ 129,584	\$ 10,799	3%	\$0.46	\$0.53	\$0.61	\$0.69
Public Facility Maintenance	\$ 30,700	\$ 2,558	1%	\$0.11	\$0.13	\$0.14	\$0.16
Police Pension	\$ 302,440	\$ 25,203	7%	\$1.07	\$1.24	\$1.42	\$1.60
Illinois Municipal Retirement Fund	\$ 110,052	\$ 9,171	3%	\$0.39	\$0.45	\$0.52	\$0.58
Insurance	\$ 116,326	\$ 9,694	3%	\$0.41	\$0.48	\$0.55	\$0.62
Employee Social Security	\$ 75,345	\$ 6,279	2%	\$0.27	\$0.31	\$0.35	\$0.40
	\$ 4,110,584			\$14.50	\$16.92	\$19.33	\$21.75

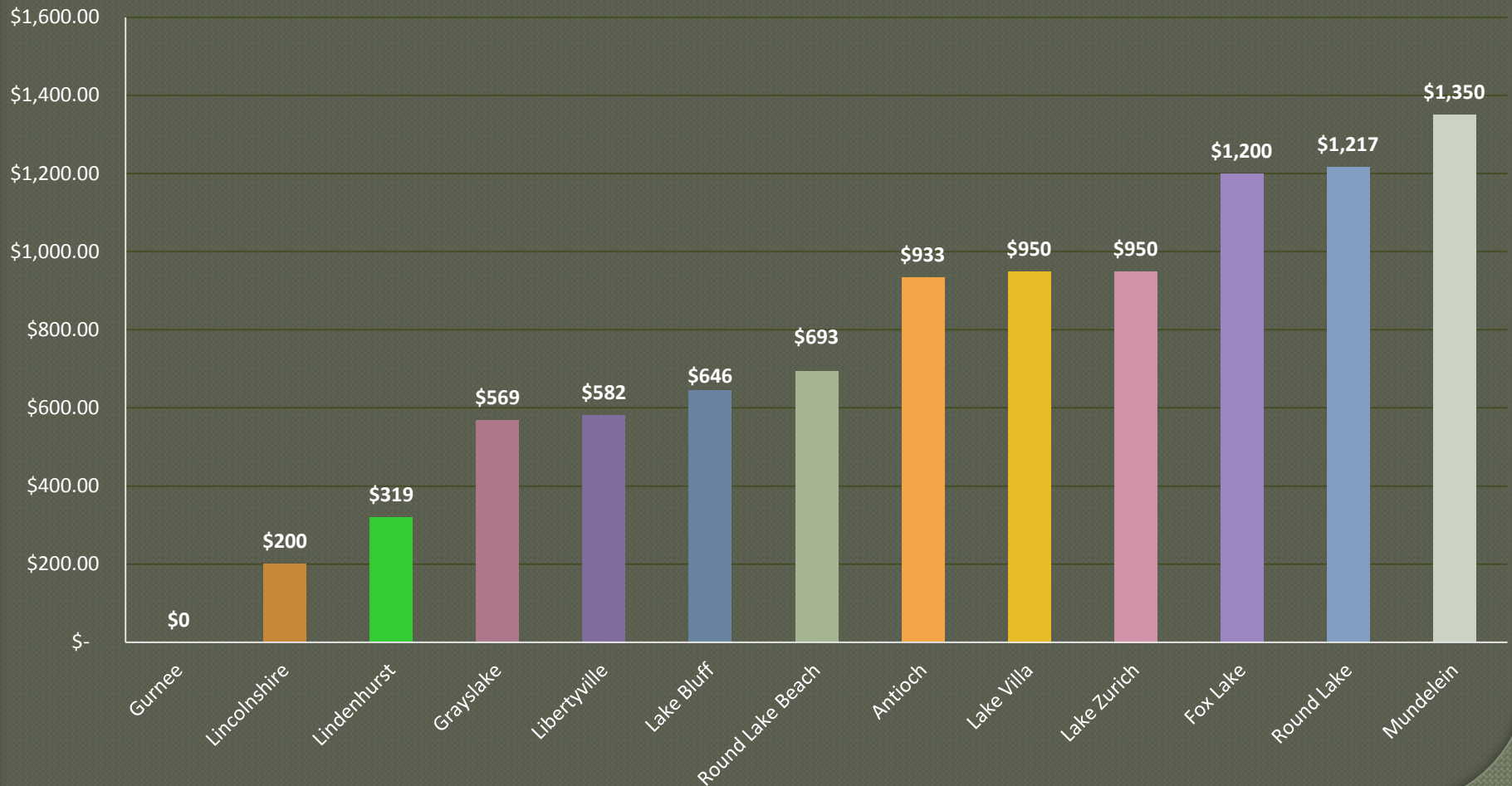
Property Tax Comparison

Property Taxes



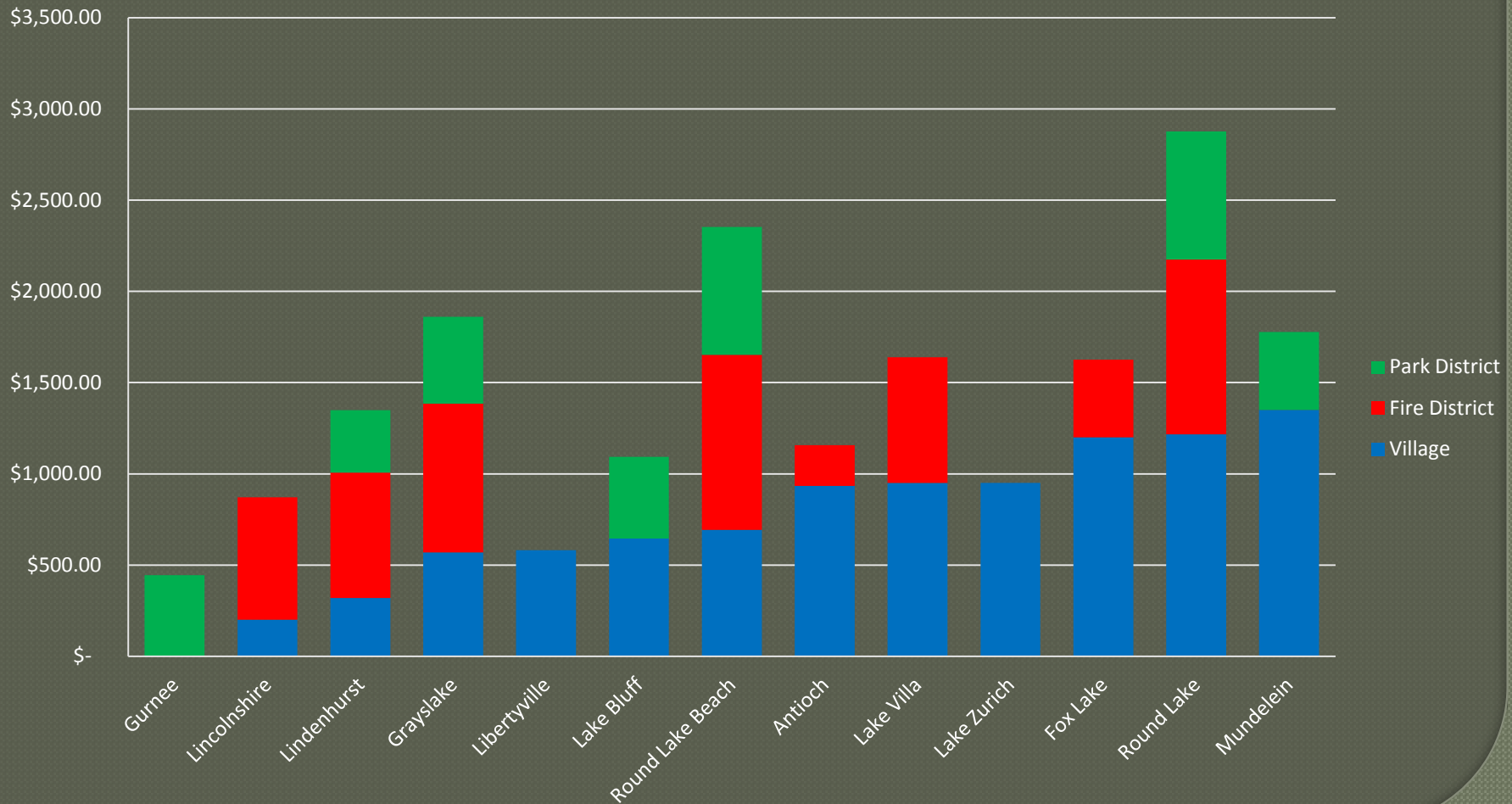
Property Tax Comparison

What Does a \$250,000 Home Pay for Village Services

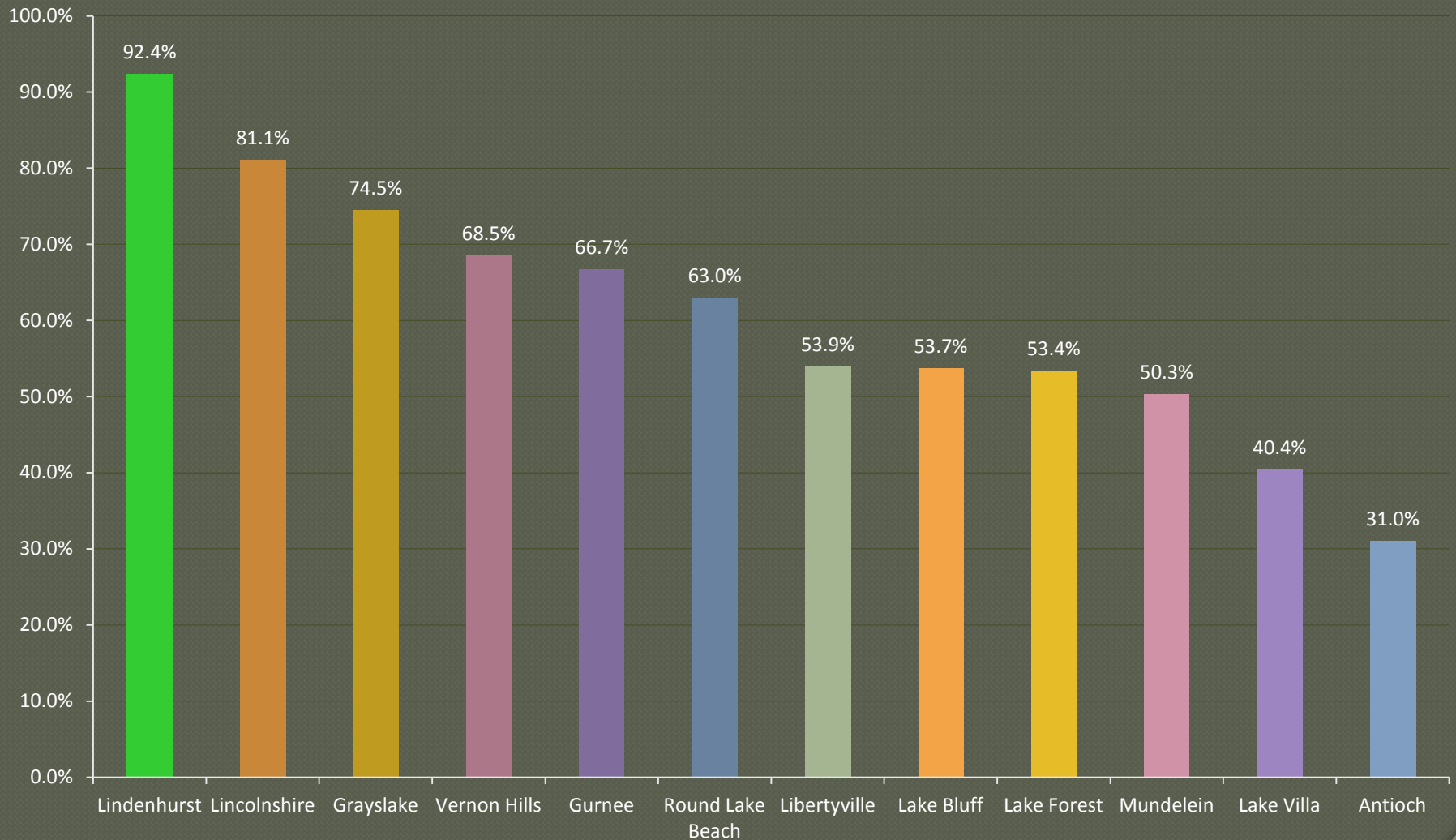


Property Tax Comparison

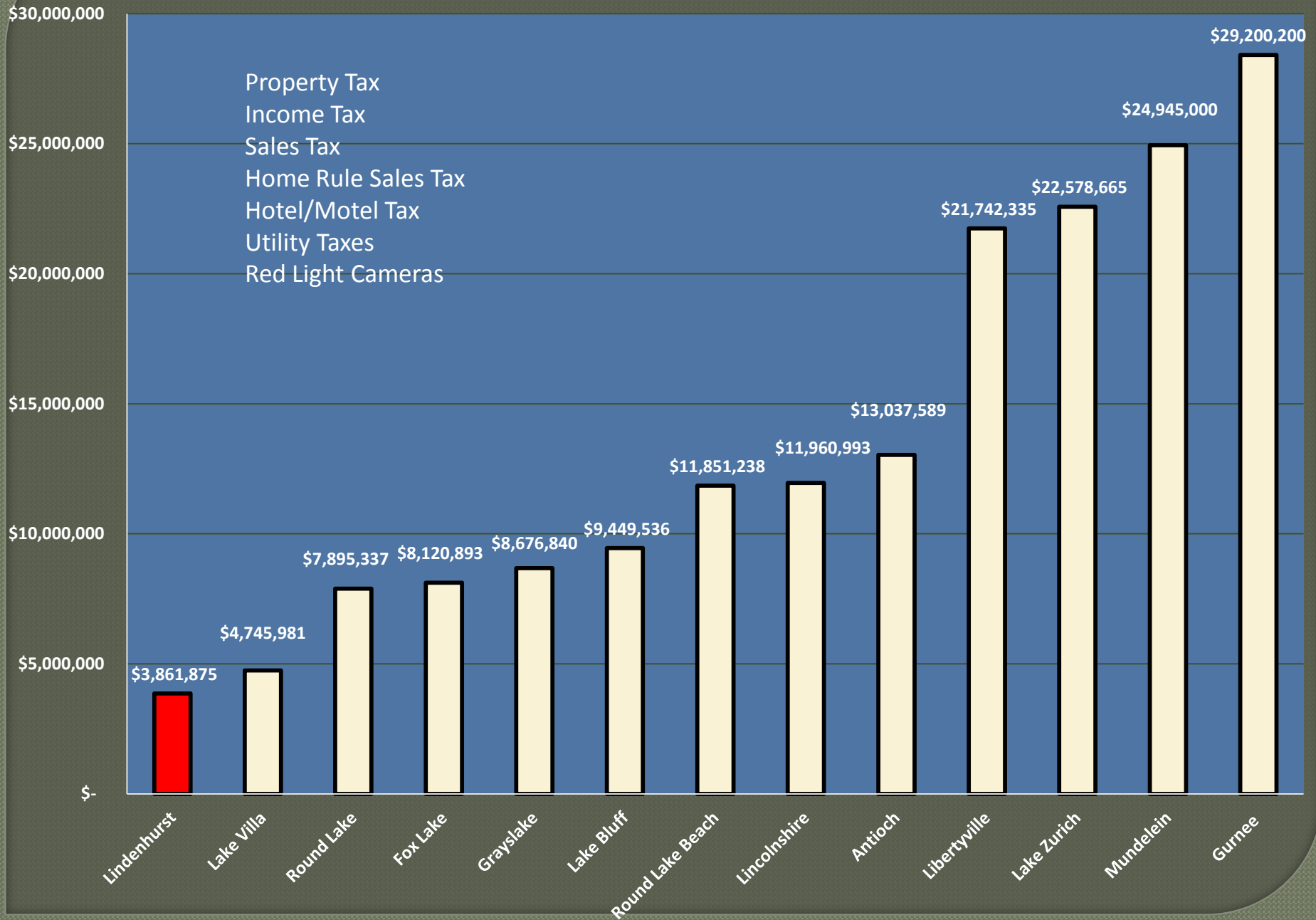
\$250,000 Home



Police Pension Fund Comparison

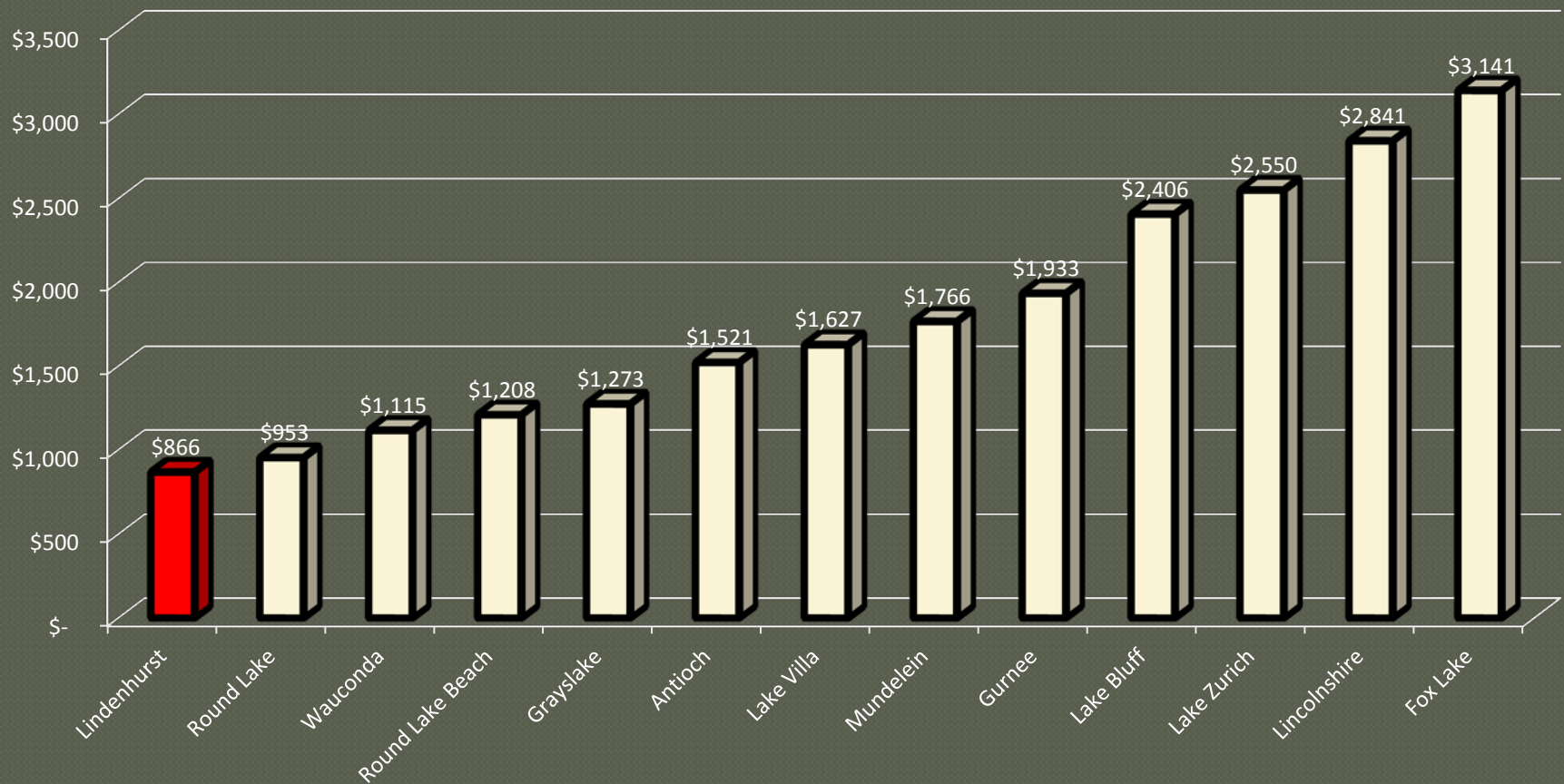


Comparison of Major Revenues FY 2015-2016



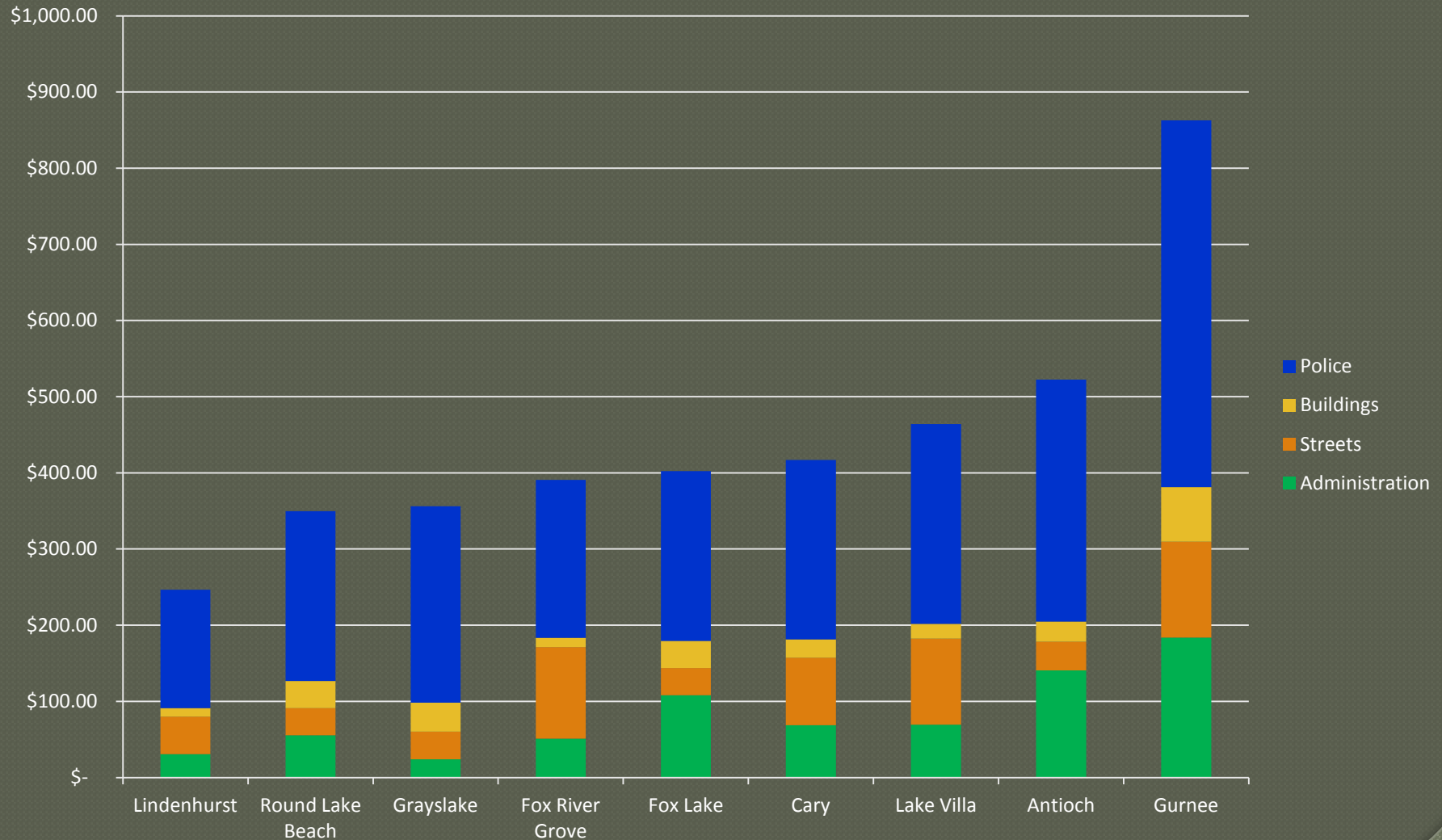
Per Capita Spending Lowest In Area

Average Community Spends More Than Twice As Much



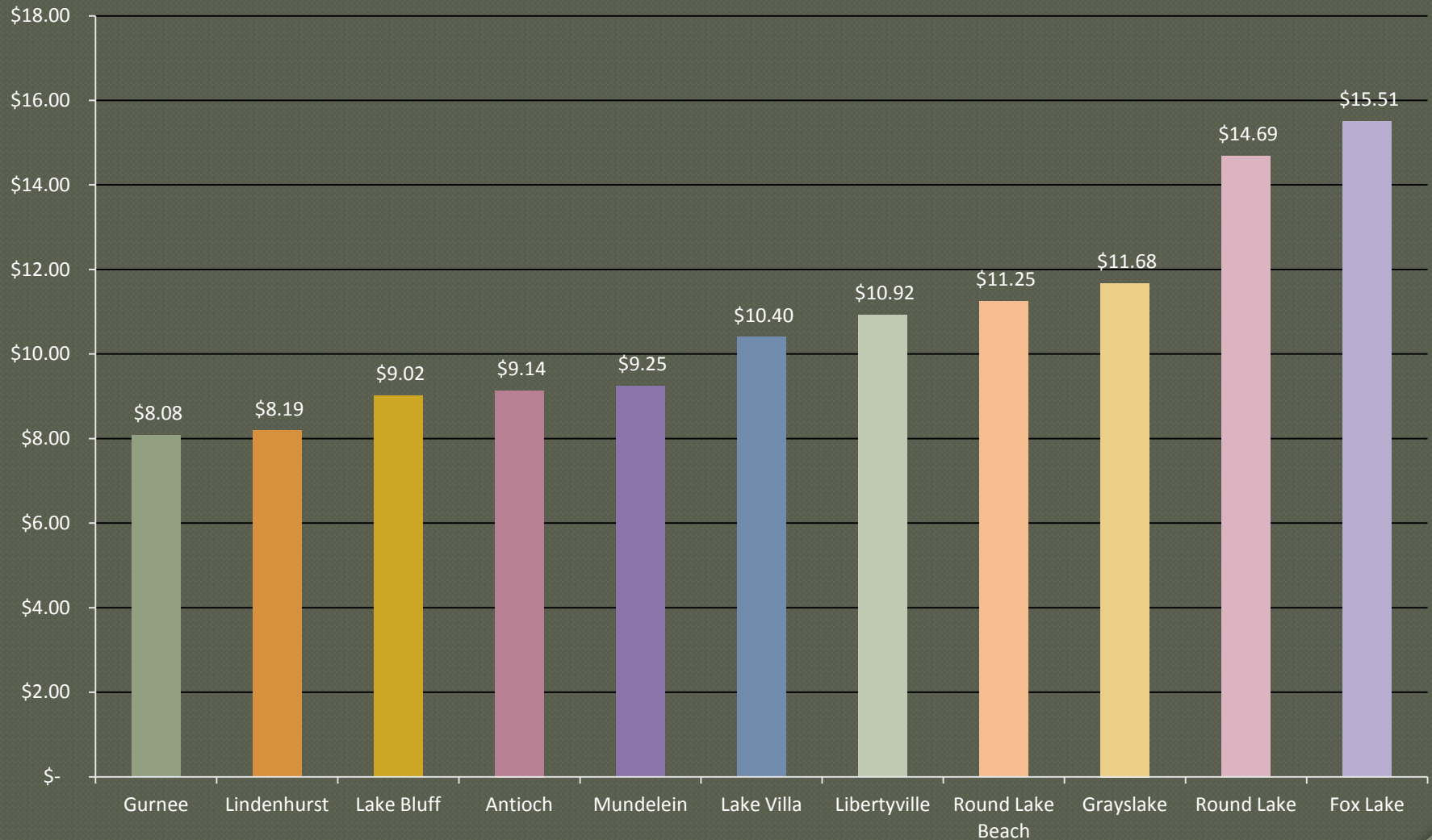
General Fund Operations

Per Capita Spending Lowest In Area

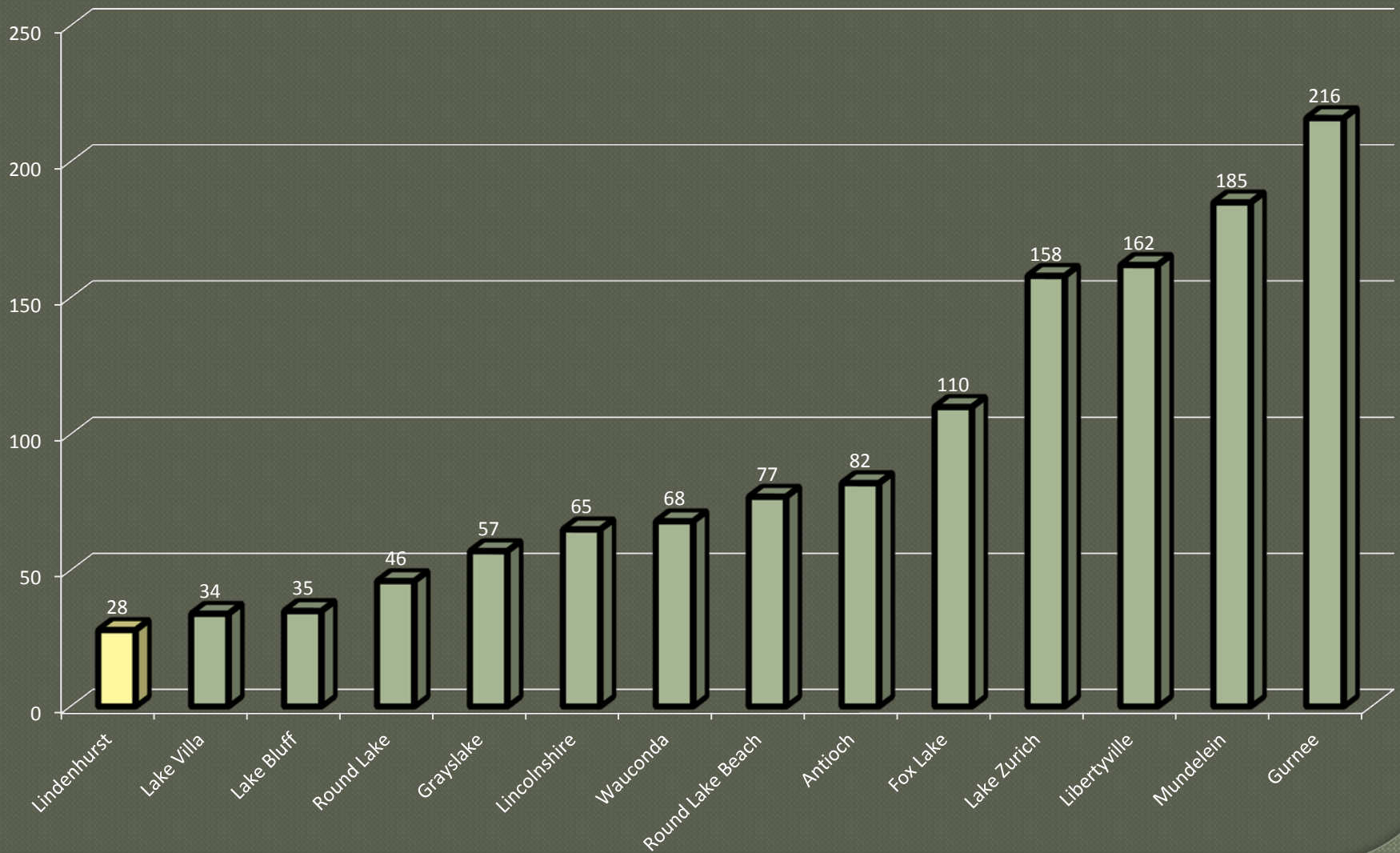


Water & Sewer Operations

Cost to Produce and Treat 1,000 gallons of water



Less Full Time Employees



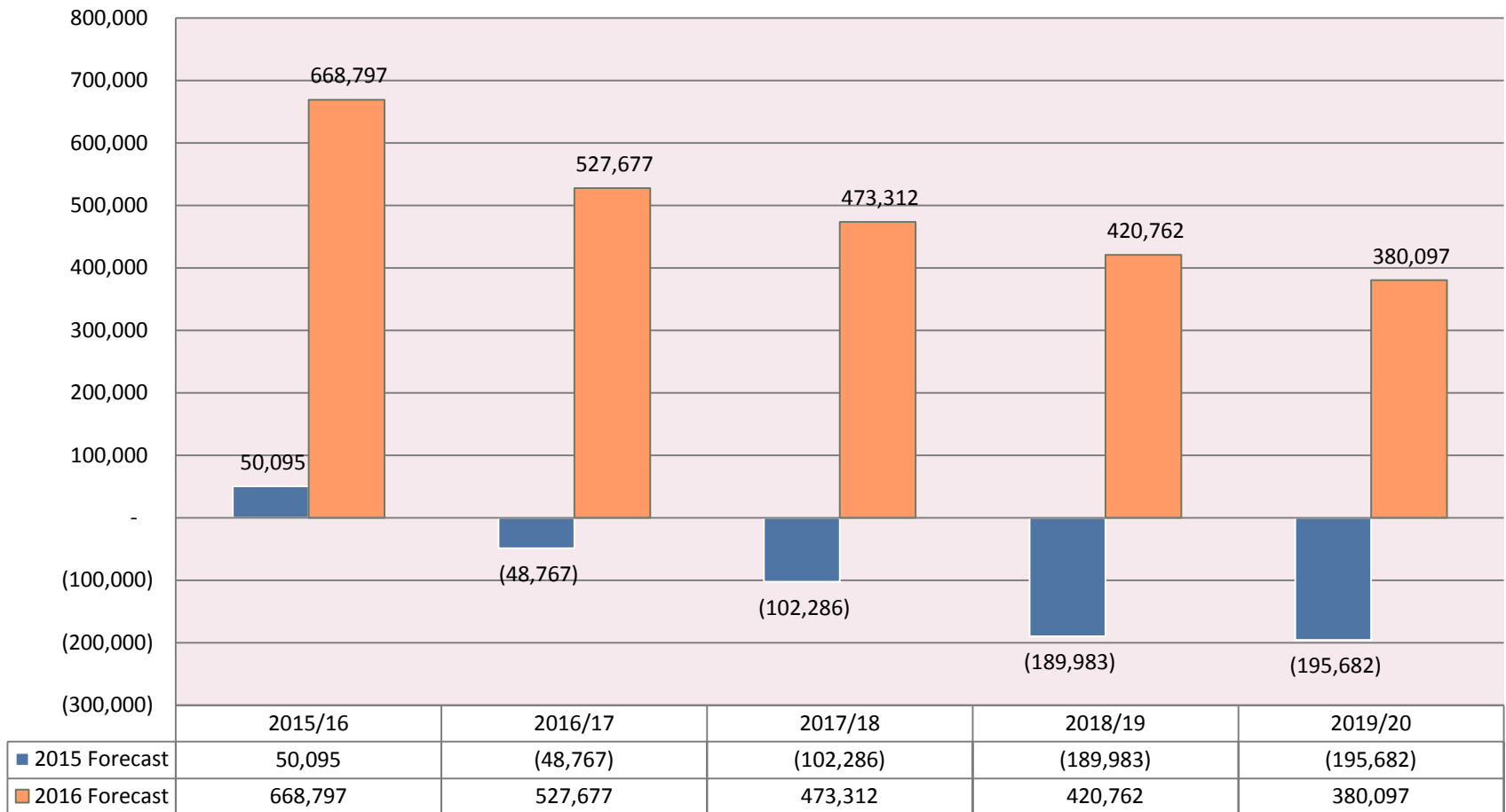
Financial Forecast

2016 Financial Forecast Highlights

1. 2016 Forecast shows improved performance from previous year
2. Once again, baseline operating costs reduced
3. Cost cutting has reduced our dependency on Income Tax
4. Enterprise Funds continue to be self-sustaining

2016 vs. 2015

General Fund Performance Comparison



Financial Health Indicators

	2015	2016
1. Major Operating Funds are Balanced	A	A
2. Target Fund Balances are Met	B	A
3. Effectiveness of Enterprise Fund Multi-Year Rate Plans	A	A
4. Meeting Fixed Asset Requirements	A	A
5. Dependency on Economically Sensitive Revenues	C	A
6. Existing Debt Load	B	B
7. Future Debt Load	D	D

Dependency on Income Tax

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
2015 Forecast % Operating Dependency	89%	97%	101%	107%	107%
2016 Forecast % Operating Dependency	44%	52%	57%	61%	64%

Budget Contingency Plan

Operating Costs vs. Revenues	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
2015 Forecast	(604,531)	(731,783)	(814,276)	(931,542)	(959,488)
2016 Forecast	688,797	42,064	(41,074)	(123,037)	(193,767)

FY 2015/2016 Performance

2015/2016 Performance

- Total Operating Spending Less Than 14/15 and Lowest Since FY 03/04

FY 14/15 Actual	FY 15/16 EYE	Difference
\$6,217,623	\$6,064,622	(\$153,001)

FY 04/05 Actual	FY 15/16 EYE	Difference
\$6,136,551	\$6,064,622	(\$71,929)

FY 15/16 Performance

Strong Financial Position

- 2007 Experiencing Operating Deficits
- Today - No Longer Spending More Than We Have

Fund	FY 08/09	FY 15/16 EYE
General Fund	(\$389,578)	\$814,167
Water & Sewer	(\$918,432)	\$681,847
Total	(\$1,308,010)	\$1,496,014

Business Approach Means Results



2015/2016 Performance

- General Fund

- Revenues are higher year over year

FY 14/15 Actual	FY 14/15 EYE	Difference
\$3,611,525	\$4,000,857	(\$389,332)

- Continued cost cutting – Zero Based Budgeting
 - FY 15/16 spending less than FY 14/15 actual

FY 14/15 Actual	FY 15/16 EYE	Difference
\$3,480,628	\$3,186,690	(\$293,938)

2015/2016 Results

- General Fund
 - Projected Surplus of \$814,167
- Water & Sewer Fund
 - Projected Surplus of \$681,847

FY 15/16 EYE	General Fund	Water & Sewer
Revenue	\$4,000,857	\$3,565,679
Expense	\$3,186,690	\$2,883,832
+ or -	\$814,167	\$681,847

General Fund - Target Balance Met

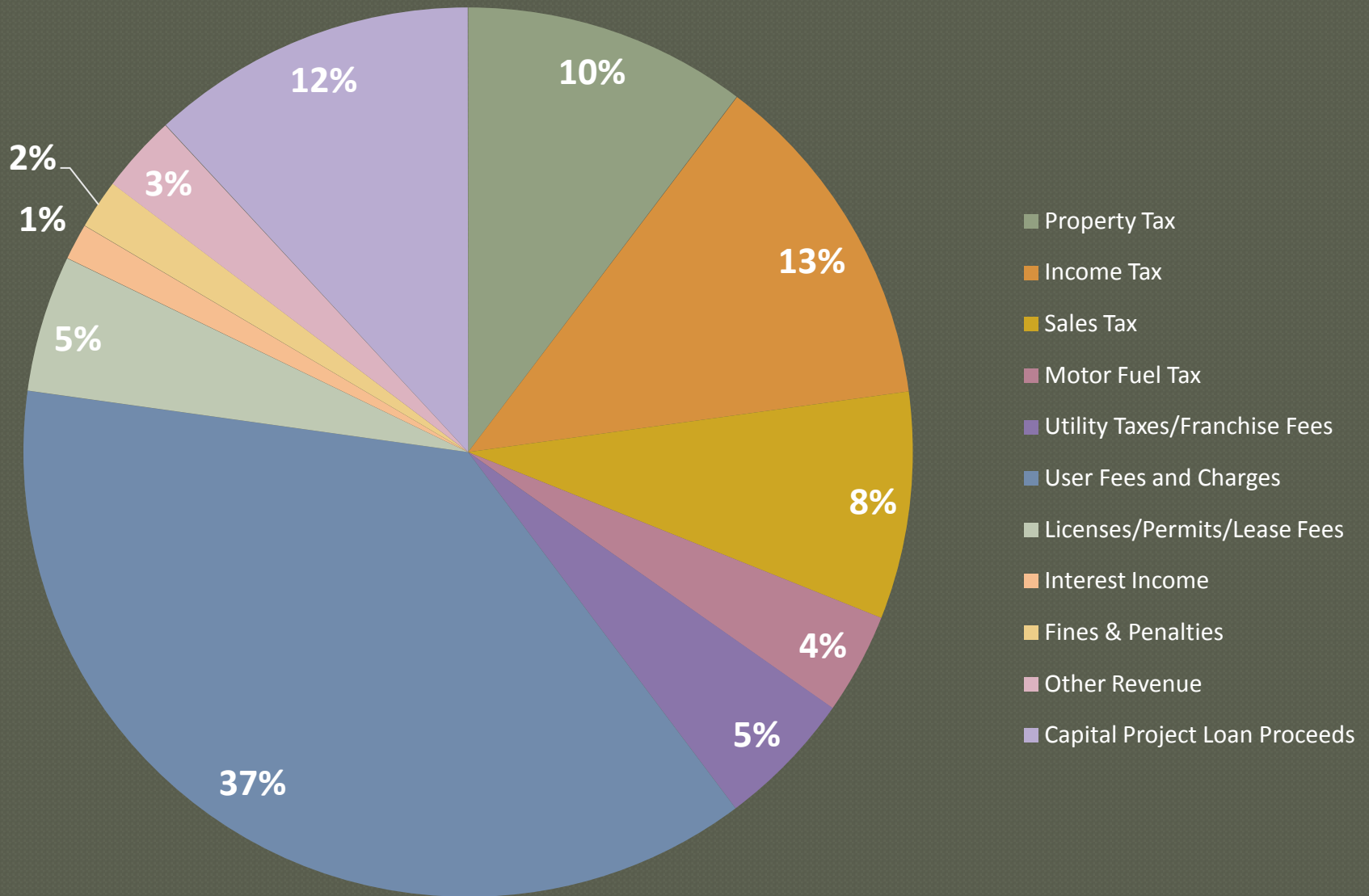
Balance 5-1-15 (Beginning)	\$2,804,982
Transfer to Community Capital	(\$130,860)
FY 15/16 Projected Net Income	<u>\$814,167</u>
Balance 4-30-16 (Ending)	\$3,488,289
Target Balance (75% of 16/17 Exp)	\$2,629,982
Possible FY 16/17 Transfer to Capital	\$858,307

Budget Overview

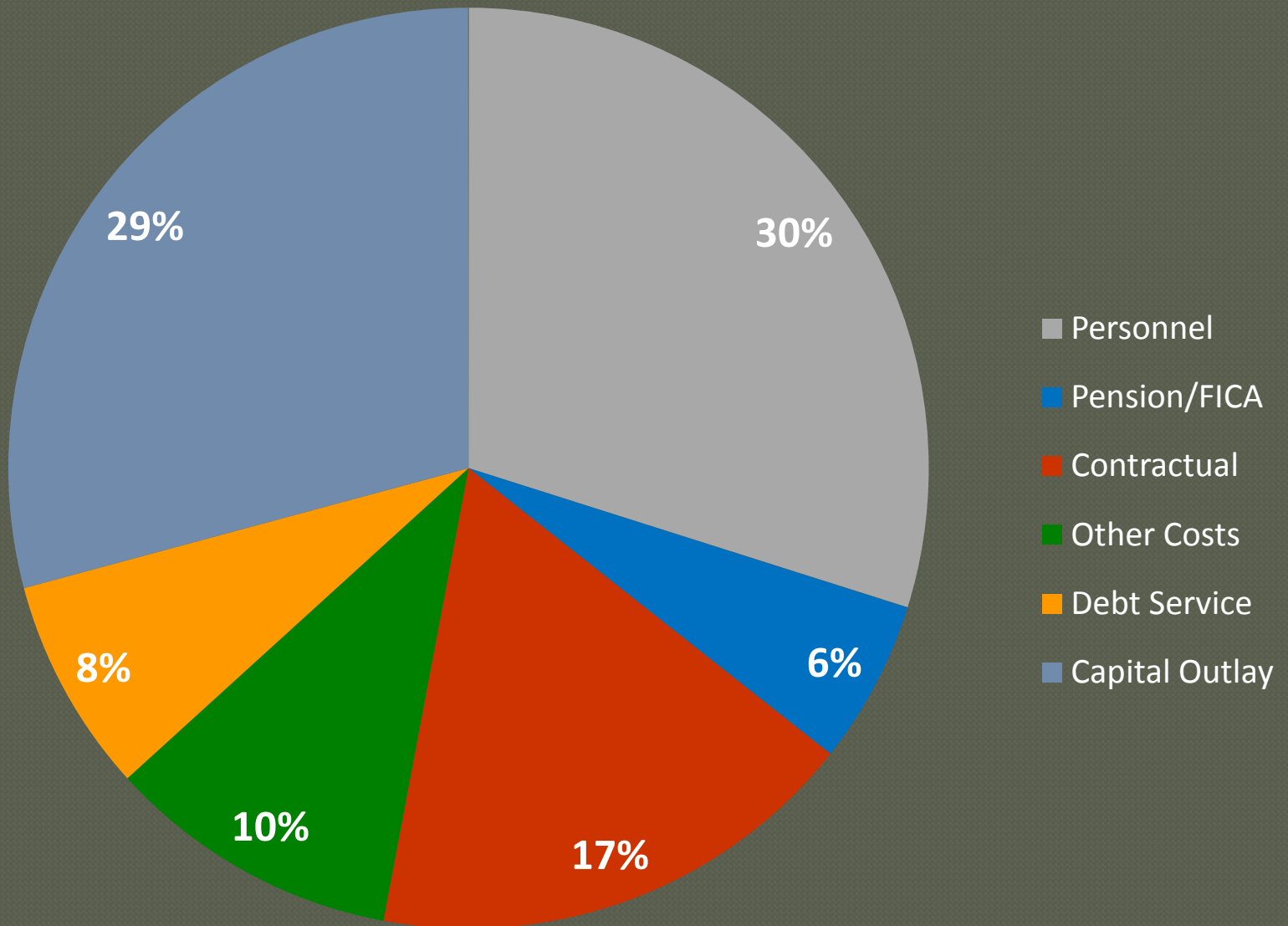
2016/2017 Budget

- Major Budget Highlights
 - Total Operating Revenues = \$9,104,550
 - Total Operating Expenditures = \$8,800,875
 - Total Capital Project Revenues = \$13,454,963
 - Total Capital Project Expenditures = \$14,640,620

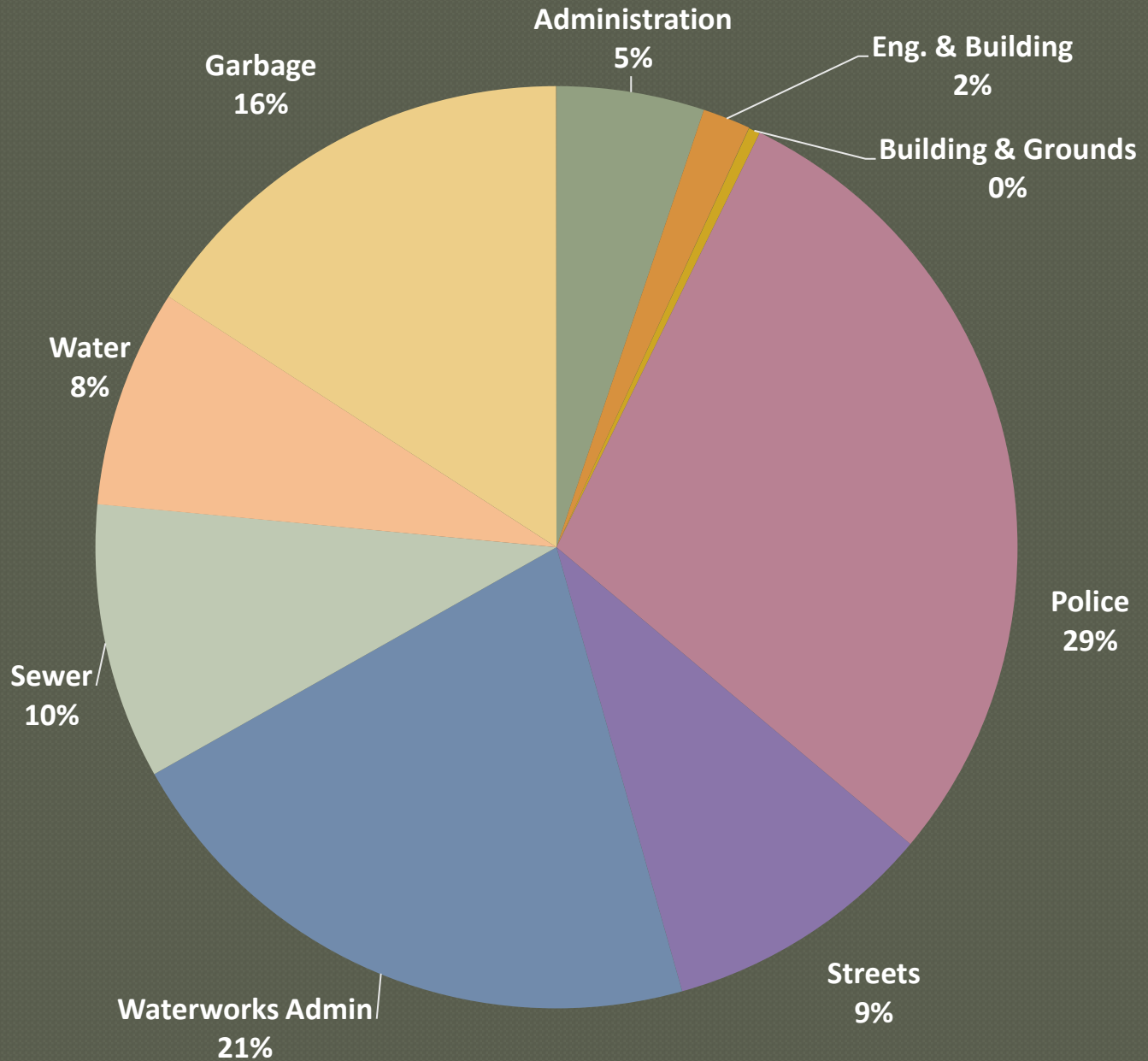
FY 16-17 Revenues By Type



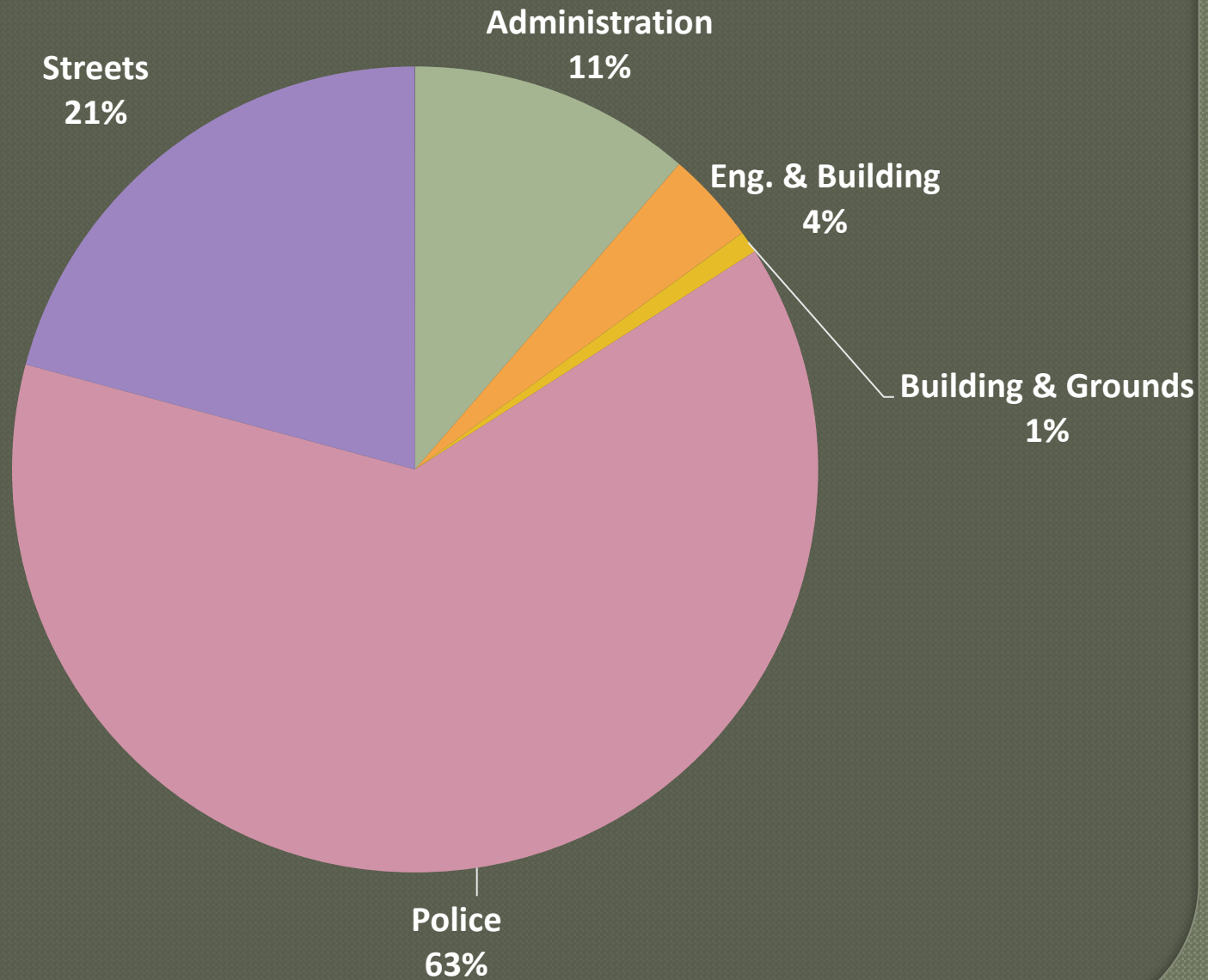
FY 16-17 Expenses By Type



Operating Spending By Area



General Fund Operating Spending By Area

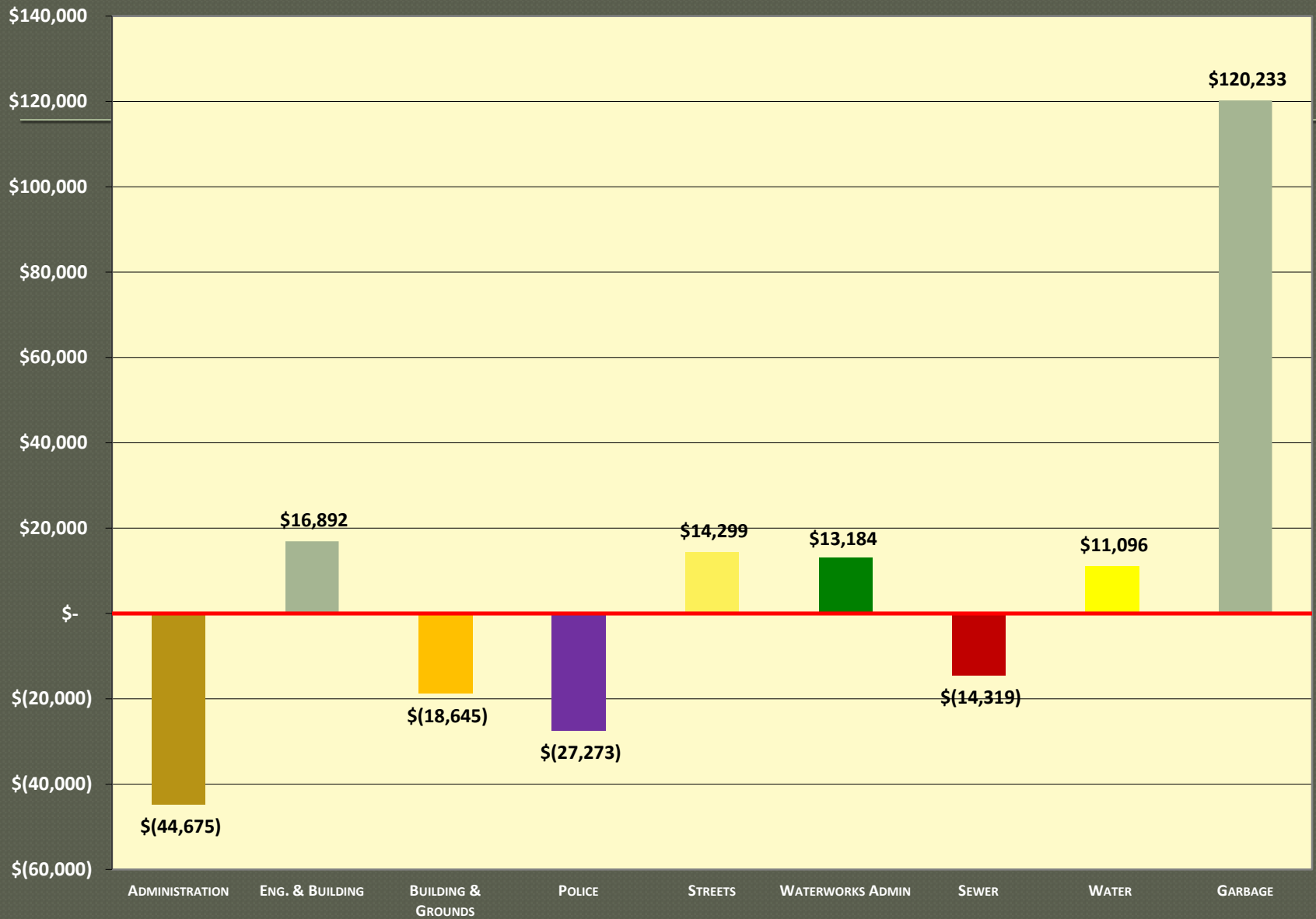


2016/2017 Budget

- General Fund projected surplus of \$322,372
- Water & Sewer Fund projected surplus of \$337,032
- Total Operating Spending is up \$70,792, a .93% increase
 - Excluding Proposed \$100,000 contribution from Garbage Fund for road repair, operating spending is down \$29,208

• Administration	(\$44,675)
• Engineering and Building	\$16,892
• Building and Grounds	(\$18,645)
• Streets	\$14,299
• Police	(\$27,273)
• Waterworks Administration	\$13,184
• Sewer	(\$14,319)
• Water	\$11,093
• Garbage	\$120,233

FY 2016/2017 Spending Changes By Operating Area



Staffing Down 45% Since 2008

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Administration	6.5	7.5	6.5	5.5	5.5	5.5	5.5	5.5	6
Police	26	26	26	25	26	23	24	23	22
Public Works	19.5	17	15	15	14	14	11	12	10
Engineering & Building	3.5	1	1	1	1	1	0	.5	.5
Total	55.5	51.5	48.5	46.5	46.5	43.5	40.5	41	38.5

Includes full and permanent part time.

2016/2017 Budget

- Total Personnel costs
 - (Salaries, health insurance, training, etc.)
 - Down \$182,924 across all funds
 - 4.7% decrease
- Total Salaries
 - Down \$241,425
 - 8% decrease.

Major Budget Decisions

Major Budget Decisions

1. Review and Discuss Draft Budget
 - a. Key Budget Points
 - b. Review 16/17 Budget Cuts
 - c. Review 16/17 Budget Increases/Additions
2. New Programs/Additional Budget Decisions
 - a) Police Investigations Position
 - b) Garbage Fund Contribution to Road Repair/Resurfacing
3. New Equipment Requests – Operating Funds
4. New Equipment Requests – Non-Operating Funds
5. Vehicle Replacements – Fixed Asset Funds
6. Community Capital Projects
7. Water & Sewer Capital Projects
8. Utility Billing Structure
9. Commission Budget Requests
10. Executive Session (Personnel)
11. Motion: Budget Recommendation

Major Budget Decisions

Review and Discuss Draft Budget

Budget Cuts/Major Increases

- ◎ Key Budget Points
- ◎ 16/17 Budget Cuts
- ◎ 16/17 Major Increases

Major Budget Decisions

New Programs/Additional Budget Decisions

- | | |
|--|-----------|
| ■ Police Investigations Position | \$25,000 |
| ■ Garbage Fund Contribution to Road Repair | \$100,000 |

Major Budget Decisions

New Equipment Requests – Operating

■ Administration & Water/Sewer Administration

- Miscellaneous PC Replacement/Software \$500
- Miscellaneous Equipment/Unanticipated \$1,000
- Postal Meter Rental (Post Office) \$500

■ Police

- Portable Digital Camera \$300
- Surveillance Cameras (7) \$5,000
- DVD/VCR Combo for training room \$200
- CrossMatch LiveScan Fingerprinting system \$5,000
- AED With Case \$2,000
- Office Furniture \$3,000

Major Budget Decisions

New Equipment Requests – Operating

■ Streets

- | | |
|---------------------------------|---------|
| • Back-up Cameras – 4 Trucks | \$1,600 |
| • Snow Plow Mount Repairs | \$3,600 |
| • Barricades | \$2,340 |
| • Safety Vests (30%) | \$625 |
| • Tow Behind Tilt Trailer (30%) | \$2,040 |
| • Office Furniture (30%) | \$2,400 |

Major Budget Decisions

New Equipment Requests – Operating

■ Sewer

- | | |
|---------------------------------|---------|
| • ORP/pH/DO Meter | \$3,200 |
| • Lighting Replacements WWTF | \$4,000 |
| • Tow Behind Tilt Trailer (40%) | \$2,720 |
| • 18 Volt Cordless Drill Set | \$360 |
| • Digital Camera (60%) | \$210 |
| • Measuring Wheels (60%) | \$290 |
| • Locator (60%) | \$1,020 |
| • Snow Blower (60%) | \$470 |
| • Office Furniture (40%) | \$3,200 |

Major Budget Decisions

New Equipment Requests – Operating

■ Water

• Neptune Meter Reading Receiver	\$5,815
• Man Gates (Water Tower)	\$1,000
• Iron Vessel Replacement Parts	\$2,800
• Tow Behind Tilt Trailer (30%)	\$2,040
• 18 Volt Cordless Drill Set	\$240
• Digital Camera (40%)	\$140
• Measuring Wheels (40%)	\$195
• Locator (40%)	\$680
• Snow Blower (40%)	\$235
• Office Furniture (30%)	\$2,400

Major Budget Decisions

New Equipment Requests – Non-Operating

- DUI Fund

- Miscellaneous Equipment \$1,000
- Tasers (4) \$5,000
- Uniform Quartermaster Program \$6,000



Major Budget Decisions

New Equipment Requests – Non-Operating

- Prison Review Fund
 - Vehicle Purchase & Equipment \$10,000
 - Miscellaneous Contingency \$5,000
- Forfeited Funds
 - MEG Participation \$9,000

Major Budget Decisions

- **Vehicle Replacements – Fixed Asset Funds**

- Squad Car Replacement Fund

- One squad car \$25,500

- Public Works Truck Replacement Fund

- One-Ton Dump \$75,000
 - Truck 10 (FY 15/16 carryover) \$30,000

FY 2016/2017
Major Community Improvements

Major Budget Decisions

Community Capital Fund

◎ Projects For Consideration

• Beck Road Contribution	\$905,968
• Lindenhurst Drive Flood Grant	\$229,316
• Pavement Patching – Village Wide	\$75,000
• Tree Planting EAB Program Year 4 of 15	\$45,000
• Fairfield Road Storm Sewer	\$207,900
• StarCom21 Radios	\$75,000
• Lake Potomac Shoreline Stabilization	\$14,500
• Police Station Architectural Services	\$10,000

Major Budget Decisions

Community Capital Fund

◎ Other Projects For Consideration

- Grand Avenue Bike Path (Emerald Ridge) \$25,600
 - (not included in Draft Budget)

Major Budget Decisions

Community Capital Fund

● Future Projects Included in CIP Plan

- Route 132 Village Contribution \$176,795
- Additional Grand Avenue Streetscaping \$250,000
 - (estimated cost of additional improvements including decorative traffic signals, landscaping and trees).
- Route 45 Village Contribution \$31,073

Major Budget Decisions

Water & Sewer Capital Fund

◎ Projects Recommended

- | | |
|--------------------------------------|-------------|
| • WPCF UV Bulbs and Wipers | \$10,400 |
| • Breaker & Starter Lift 8 | \$10,000 |
| • Automatic Flow-Paced T-Valves WWTF | \$25,000 |
| • Construction Coordinator | \$147,000 |
| • Southeast Utilities Construction | \$1,400,000 |

Major Budget Decisions

Water & Sewer Capital Fund

◉ Financial Overview – Internal System Improvements

• Water Main Phase II	\$6,496,000
• Lake Water connection facility & reservoir	\$3,522,000
• Construction Engineering – Phase I	\$50,000
• Construction Engineering – connection fac.	\$170,000
• Construction Engineering – Phase II	\$250,000

Major Budget Decisions

Lake Michigan Water Project Update

- Overall Project Schedule
- Bid Package #1
- Bid Package #2
- Bid Package #3
- Bid Package #4

Major Budget Decisions

Utility Billing Structure

- Transition to Per Unit Rate Structure

Usage	Number of Customers	Percentage
0-15 units	2,893	62%
16-29 units	1,661	35%
30 units and above	162	3%
Total	4,716	100%

Customer Impact – Per Unit Structure

Customer	Units	WATER			SEWER		
		Current	Per Unit	Difference	Current	Per Unit	Difference
Residential 1	1	33.71	3.24	(30.47)	64.29	4.01	(60.28)
Residential 2	2	33.71	6.48	(27.23)	64.91	8.02	(56.89)
Residential 3	3	33.71	9.72	(23.99)	65.53	12.03	(53.50)
Residential 4	4	33.71	12.96	(20.75)	66.15	16.04	(50.11)
Residential 5	5	33.71	16.20	(17.51)	66.77	20.05	(46.72)
Residential 6	6	33.71	19.44	(14.27)	67.39	24.06	(43.33)
Residential 7	7	33.71	22.68	(11.03)	68.01	28.07	(39.94)
Residential 8	8	33.71	25.92	(7.79)	68.63	32.08	(36.55)
Residential 9	9	33.71	29.16	(4.55)	69.25	36.09	(33.16)
Residential 10	10	33.71	32.40	(1.31)	69.87	40.10	(29.77)
Residential 11	11	33.71	35.64	1.93	70.66	44.11	(26.55)
Residential 15	15	33.71	48.60	14.89	73.82	60.15	(13.67)

Customer Impact – Per Unit Structure

Customer	Units	WATER			SEWER		
		Current	Per Unit	Difference	Current	Per Unit	Difference
Mobil	182	409.46	589.68	180.22	231.59	729.82	498.23
Twisted Cow	69	155.21	223.56	68.35	123.11	276.69	153.58
Rosatis	23	51.71	74.52	22.81	80.14	92.23	12.09
Wendy's	104	233.96	336.96	103.00	156.71	417.04	260.33
Amoco	74	166.46	239.76	73.30	127.91	296.74	168.83
Emilys Pancake	28	62.96	90.72	27.76	84.09	112.28	28.19
Butera	134	301.46	434.16	132.70	185.51	537.34	351.83
Walgreens	12	33.71	38.88	5.17	71.45	48.12	(23.33)
Hooper	104	233.96	336.96	103.00	156.71	417.04	260.33
Lake Forest	610	1,372.46	1,976.40	603.94	642.47	2,446.10	1,803.63
Vista	276	620.96	894.24	273.28	321.83	1,106.76	784.93
Victory Lakes	1114	2,506.46	3,609.36	1,102.90	1,126.31	4,467.14	3,340.83
RJ's	260	584.96	842.40	257.44	306.47	1,042.60	736.13
Linden Dental Health Group	30	67.46	97.20	29.74	85.67	120.30	34.63
7-11	8	33.71	25.92	(7.79)	68.63	32.08	(36.55)

Major Budget Decisions

- **Commission Budget Requests**
 - Lakes Commission
 - Veterans Commission
 - Environmental Commission

Major Budget Decisions

- Contribution to SWALCO
 - Temporary Continuation of Electronics Collection Services:
 - Grayslake - \$20,000
 - Gurnee - \$5,000
 - Volo - \$2,500

Major Budget Decisions

Executive Session:
Recommended Changes to Pay Plan

Major Budget Decisions

Motion: Budget Recommendation