

Village of Lindenhurst 2017 Budget Workshop

Lindenhurst



March 20, 2017

Budget Review Process

- ◉ December – February – Budget & Forecast Development
- ◉ March 6th – Finance Committee Review of Budget & Financial Forecast
- ◉ **March 20th – Budget Workshop**
- ◉ March 27th – Tentative Budget Review
- ◉ April 10th – Public Hearing & Final Budget

Workshop Overview

- Overall Village Financial Picture
- 2017 Financial Forecast
- FY 16/17 Performance
- FY 17/18 Budget Overview
- Major Budget Decisions
- Executive Session
- Motion: Budget Recommendation

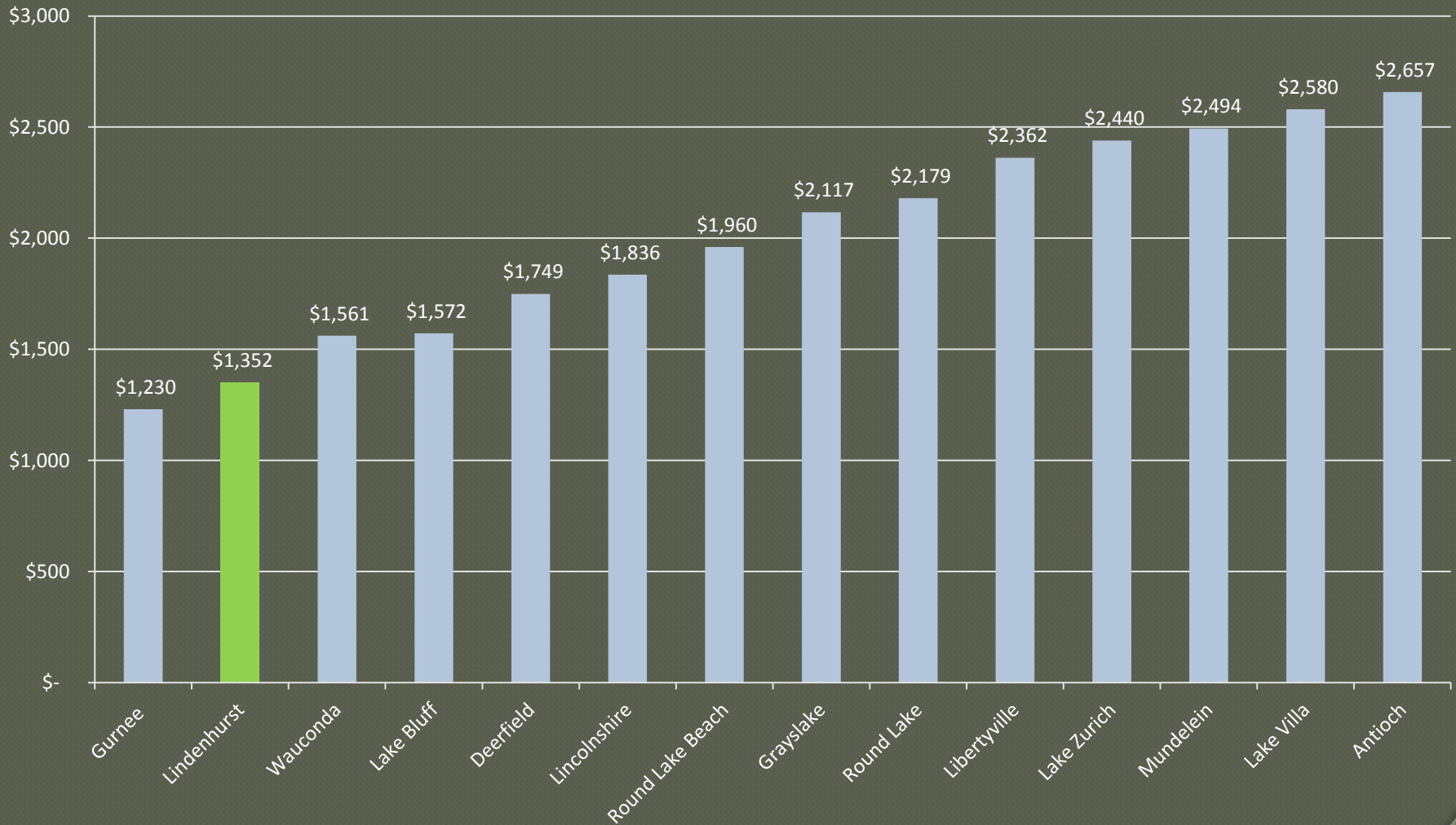
Financial Picture

- Overall financial position continues to be strong
- FY 2017-2018 is a balanced budget
- Some decline in certain General Fund revenues
- Zero Based Budgeting Approach
 - General Fund budget to budget – up \$106,370 – first year over year increase in 3 years
 - Water & Sewer Fund includes LM transition
 - CLCJAWA Water Purchase - \$782,100
 - System Improvements Debt - \$1,020,327
- Continued commitment to increasing funding to Community Capital
 - 100% of new sales tax revenue to Capital
- Major Operating Funds are balanced
- Fully meeting all pension obligations

Village Finances

- ◎ Lindenhurst has always been a low revenue operation.
- ◎ Lindenhurst residents pay less than most other communities (only Gurnee is lower).
 - Village receives 2.5% of the total property tax bill
 - Don't have many utility taxes and other charges
- ◎ Lindenhurst Spends Less

Lindenhurst Residents Pay Less



Where Do My Property Taxes Go?

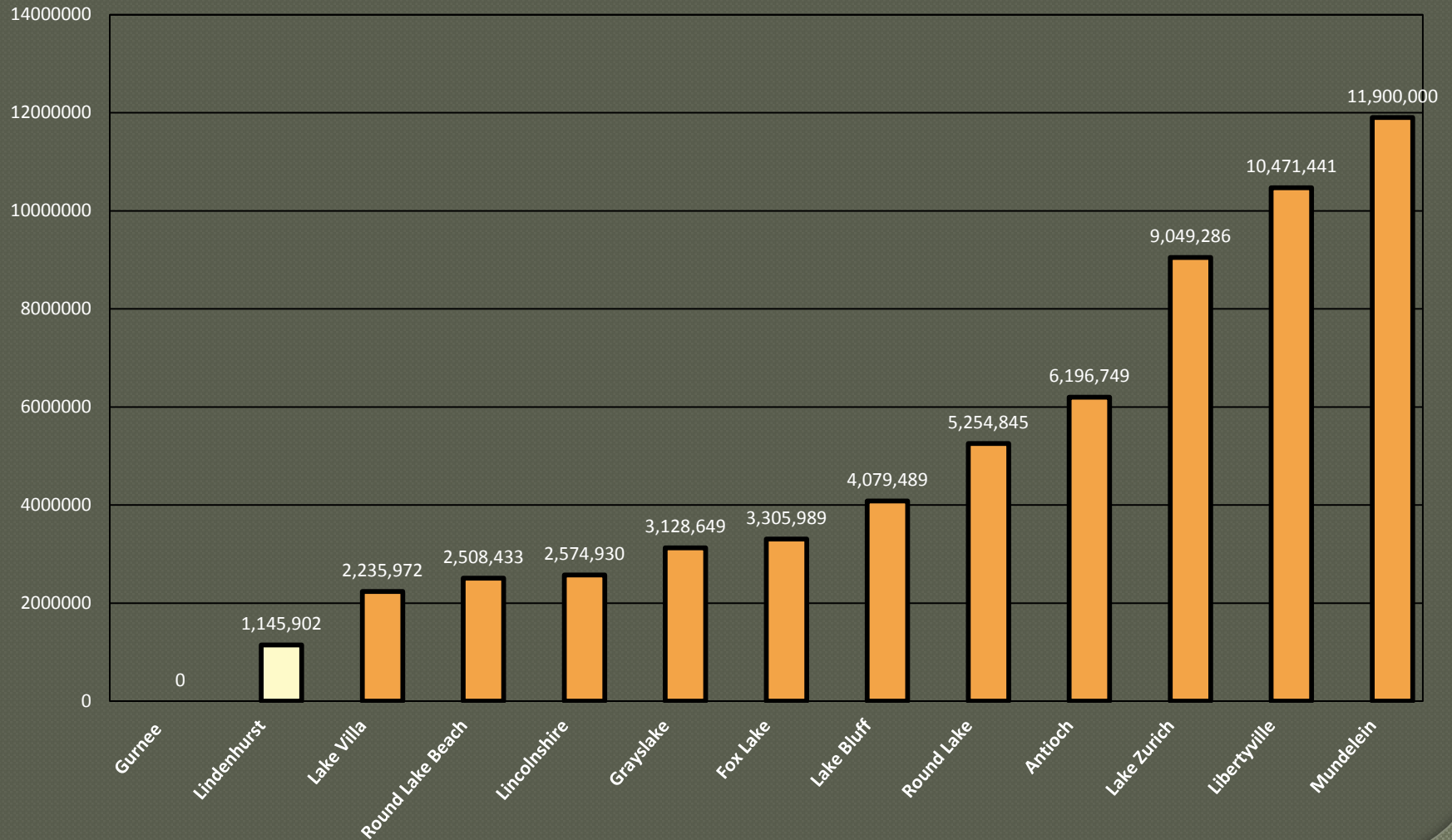


A \$250,000 home pays an annual tax bill of approximately \$12,227 (Millburn School District) and \$10,899 (Lake Villa School District)

- \$311 of that goes to the Village.

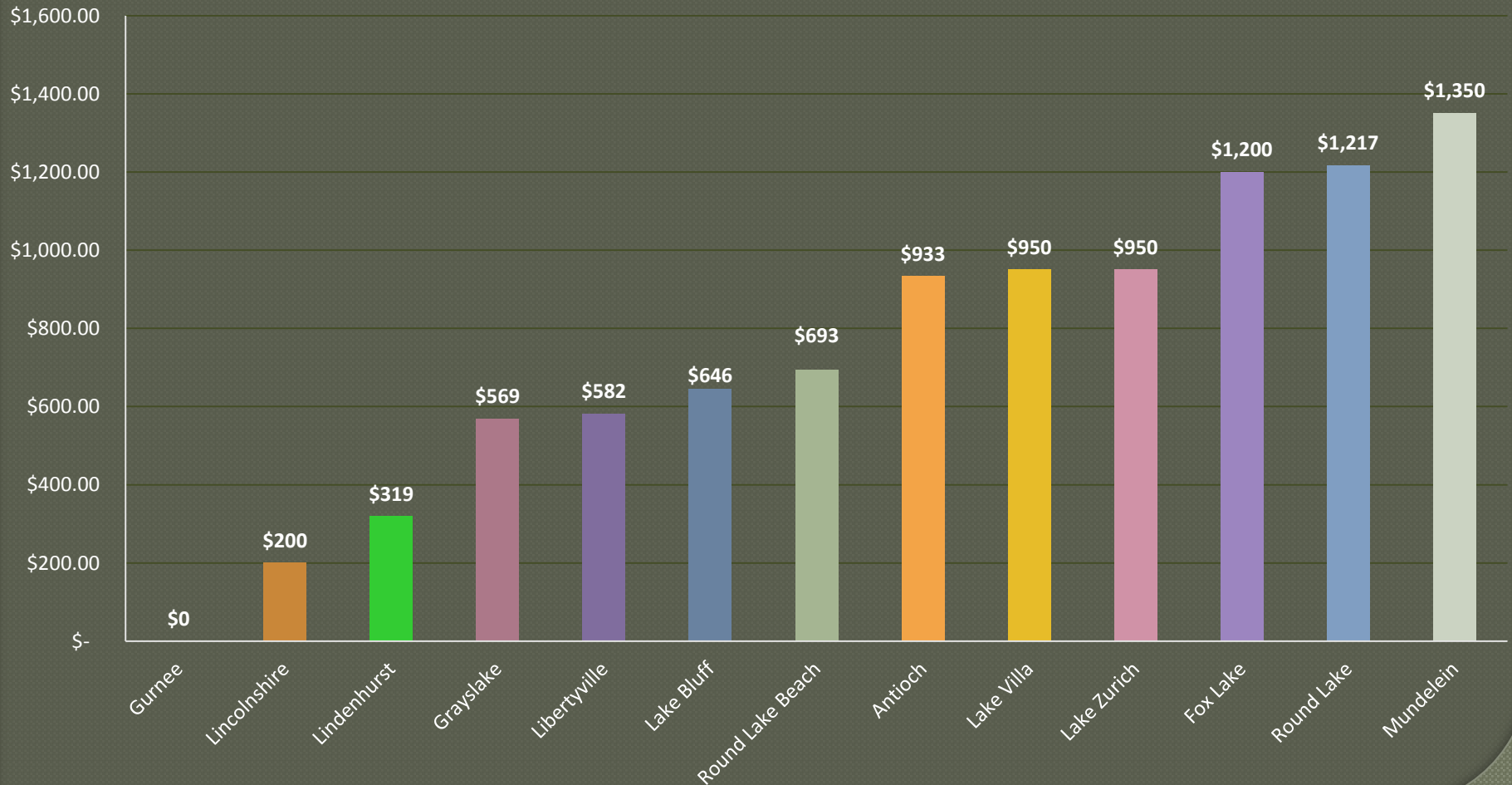
Total Annual Property Taxes Paid by a Resident				\$7,000	\$8,000	\$9,000	\$10,000
Annual Property Taxes Paid to the Village of Lindenhurst				\$200	\$228	\$257	\$285
Monthly Property Taxes Paid to the Village of Lindenhurst				\$16.63	\$19.00	\$21.38	\$23.75
	2017/2018 Budget	Monthly Budget	Percent of Spending	Monthly Cost	Monthly Cost	Monthly Cost	Monthly Cost
Administration and Finance	\$ 388,449	\$ 32,371	9%	\$1.54	\$1.76	\$1.98	\$2.20
Police Protection	\$ 2,294,873	\$ 191,239	55%	\$9.09	\$10.38	\$11.68	\$12.98
Public Works - Street Maintenance	\$ 765,406	\$ 63,784	18%	\$3.03	\$3.46	\$3.90	\$4.33
Building and Engineering	\$ 122,414	\$ 10,201	3%	\$0.48	\$0.55	\$0.62	\$0.69
Public Facility Maintenance	\$ 36,800	\$ 3,067	1%	\$0.15	\$0.17	\$0.19	\$0.21
Police Pension	\$ 324,906	\$ 27,076	8%	\$1.29	\$1.47	\$1.65	\$1.84
Illinois Municipal Retirement Fund	\$ 96,842	\$ 8,070	2%	\$0.38	\$0.44	\$0.49	\$0.55
Insurance	\$ 98,838	\$ 8,237	2%	\$0.39	\$0.45	\$0.50	\$0.56
Employee Social Security	\$ 70,849	\$ 5,904	2%	\$0.28	\$0.32	\$0.36	\$0.40
	\$ 4,199,377			\$16.63	\$19.00	\$21.38	\$23.75

Property Tax Comparison



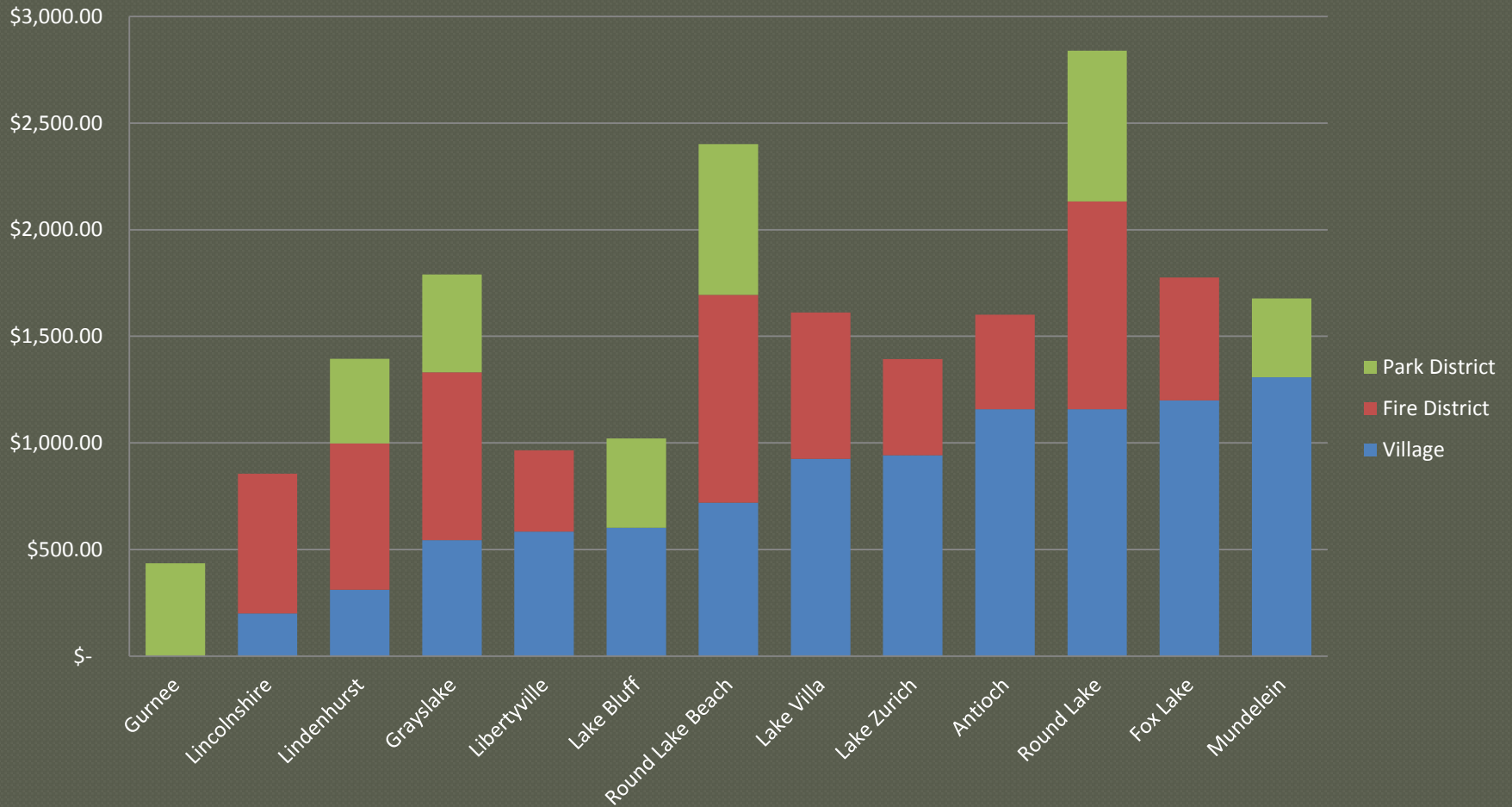
Property Tax Comparison

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

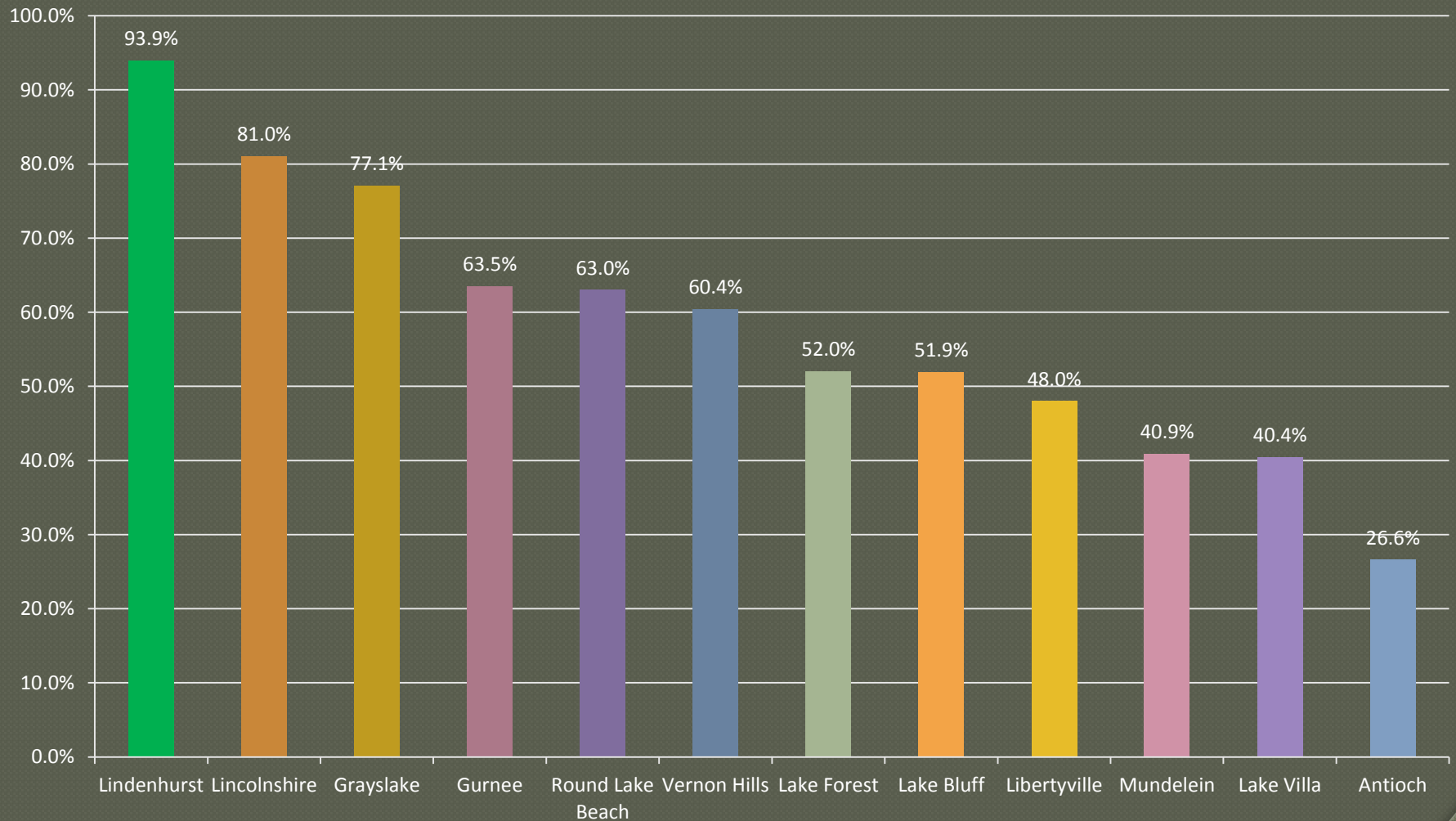


Property Tax Comparison

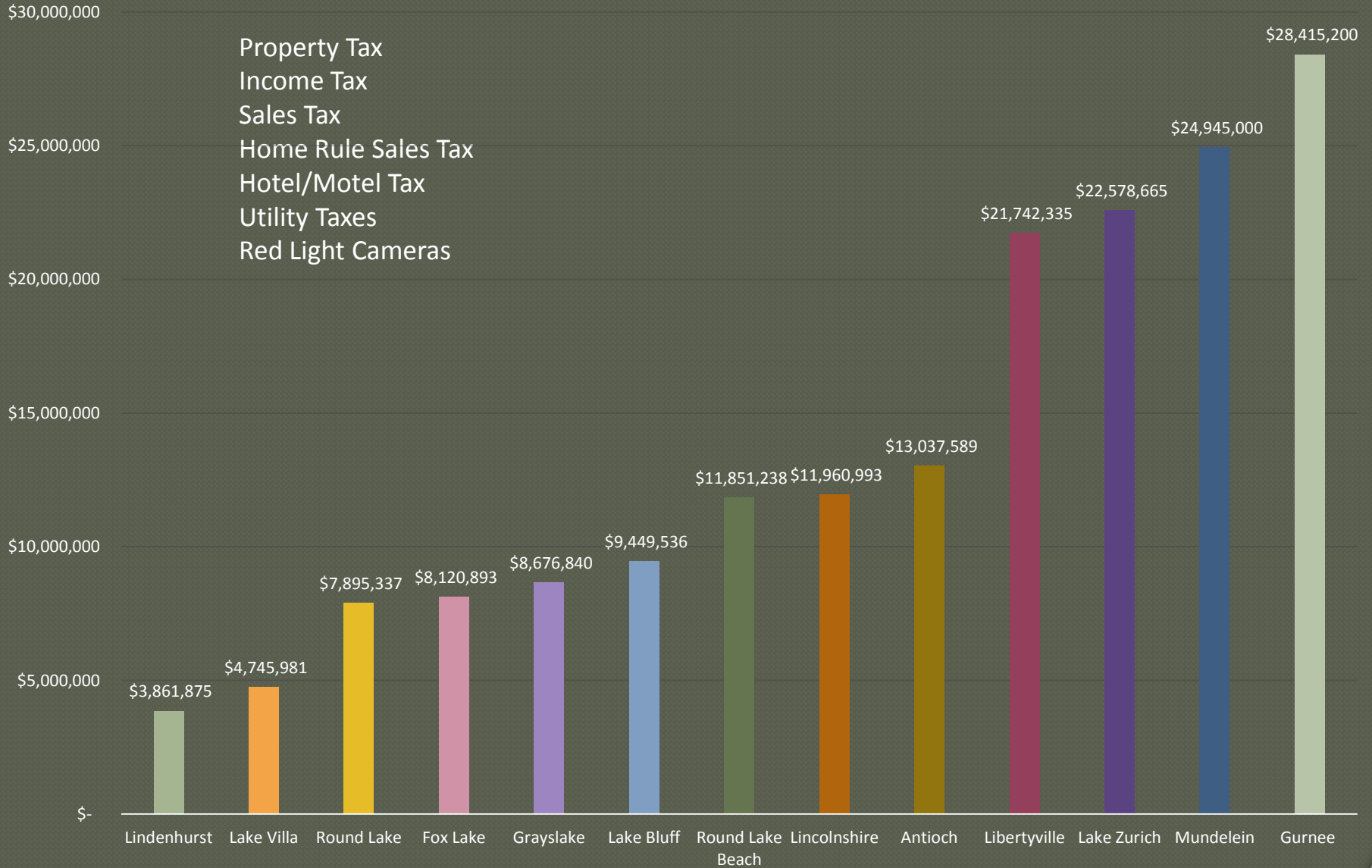
\$250,000 Home



Police Pension Fund Comparison

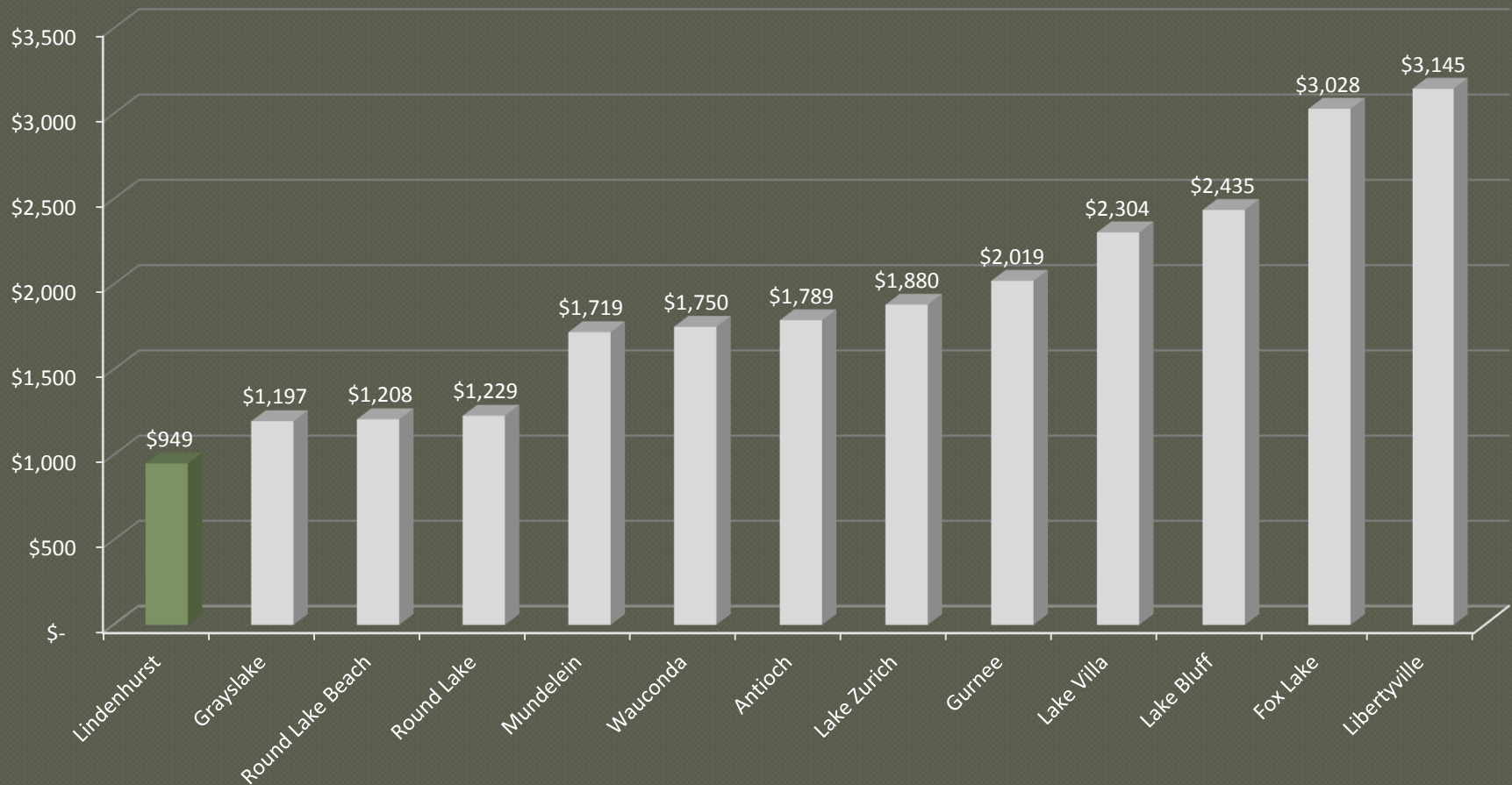


Comparison of Major Revenues



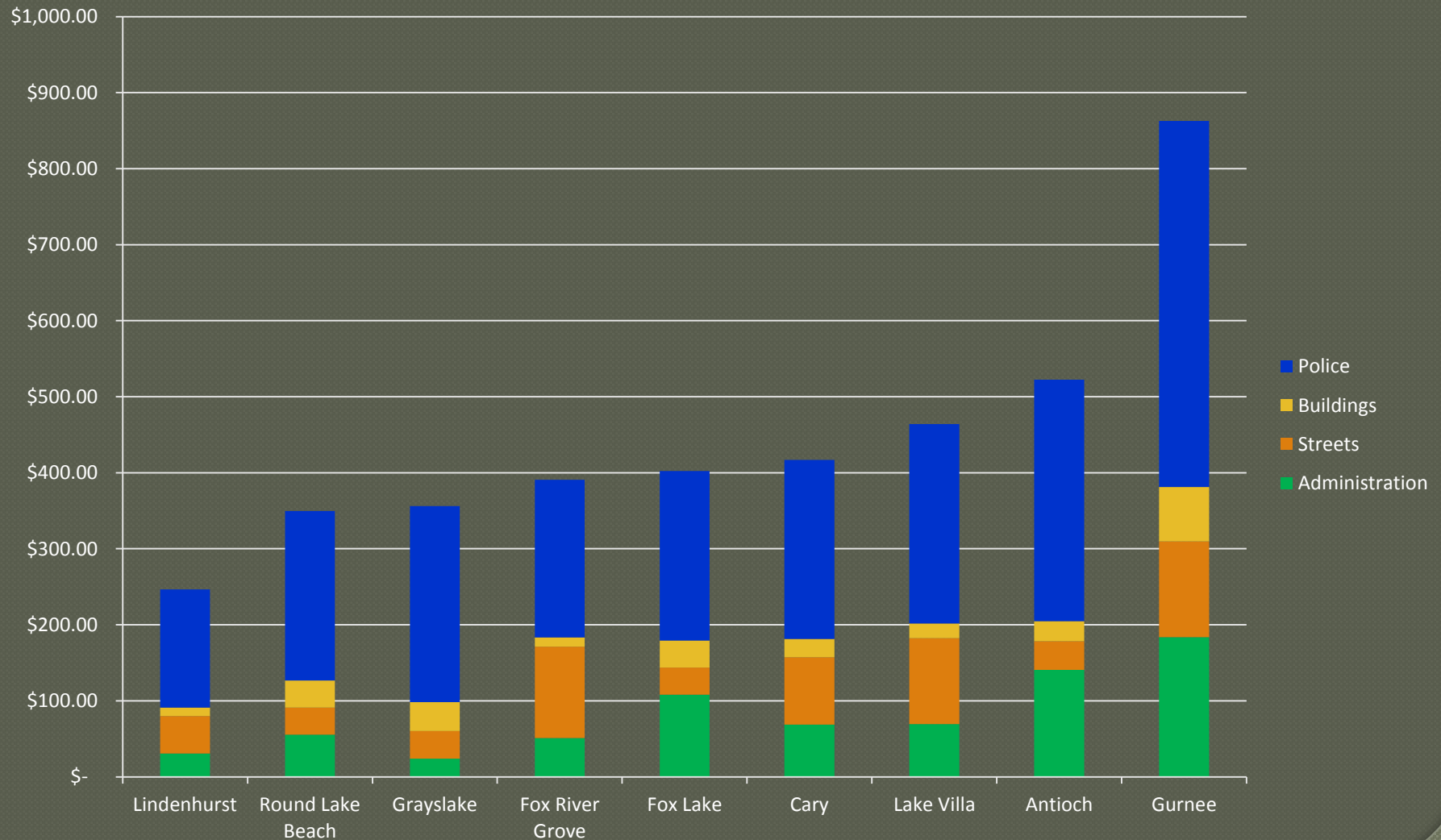
Per Capita Spending Lowest In Area

Average Community Spends More Than Twice As Much



General Fund Operations

Per Capita Spending Lowest In Area



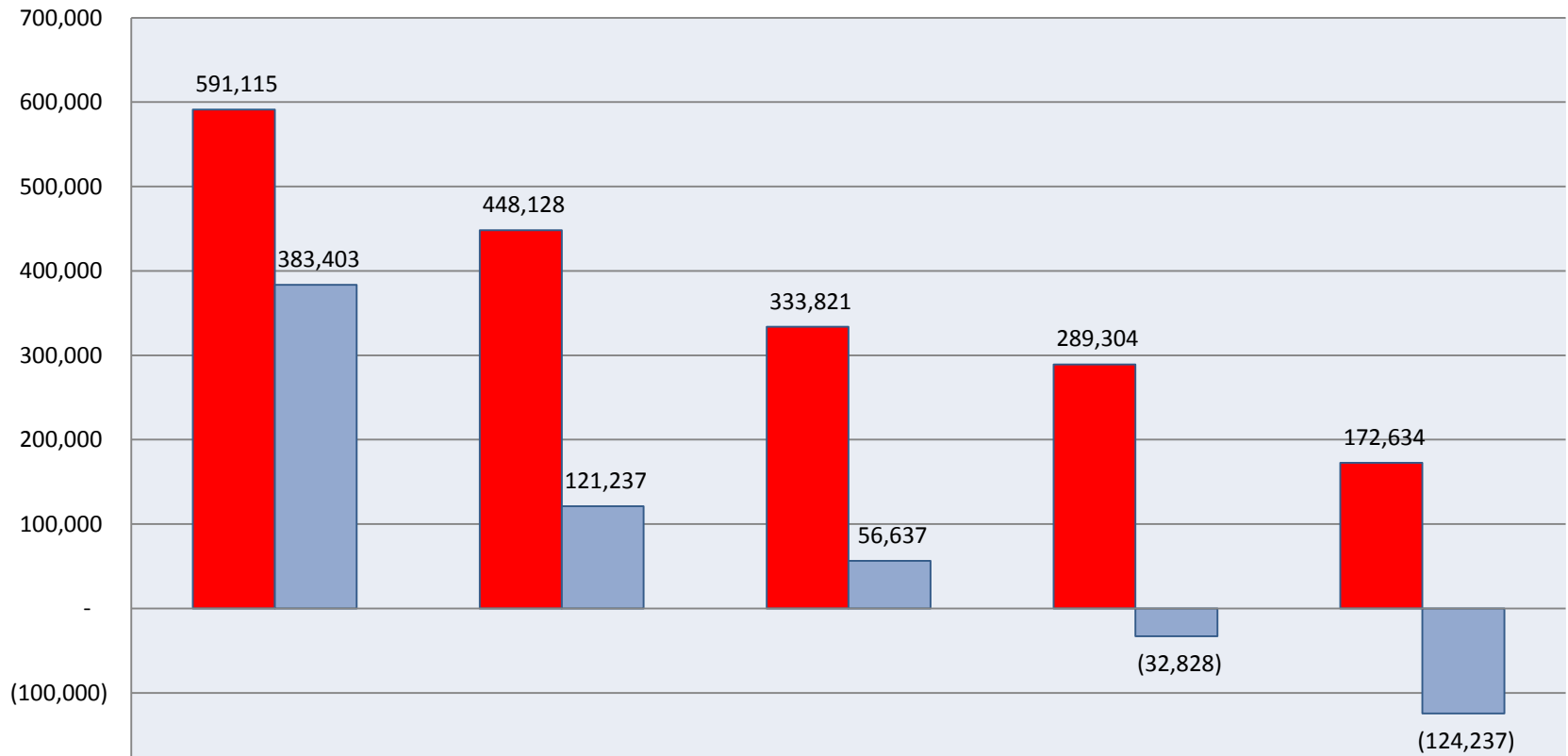
Financial Forecast

2017 Financial Forecast Highlights

1. 2017 Forecast shows some decline in performance from previous year
2. Cost cutting has reduced our dependency on Income Tax
3. Assumes reductions in certain major revenues
4. Enterprise Funds continue to be self-sustaining

2017 vs. 2016

General Fund Performance Comparison



	2016/17	2017/18	2018/19	2019/20	2020/21
2016 Forecast	591,115	448,128	333,821	289,304	172,634
2017 Forecast	383,403	121,237	56,637	(32,828)	(124,237)

Reductions In Major Revenues

● General Fund Revenues Down \$225,000

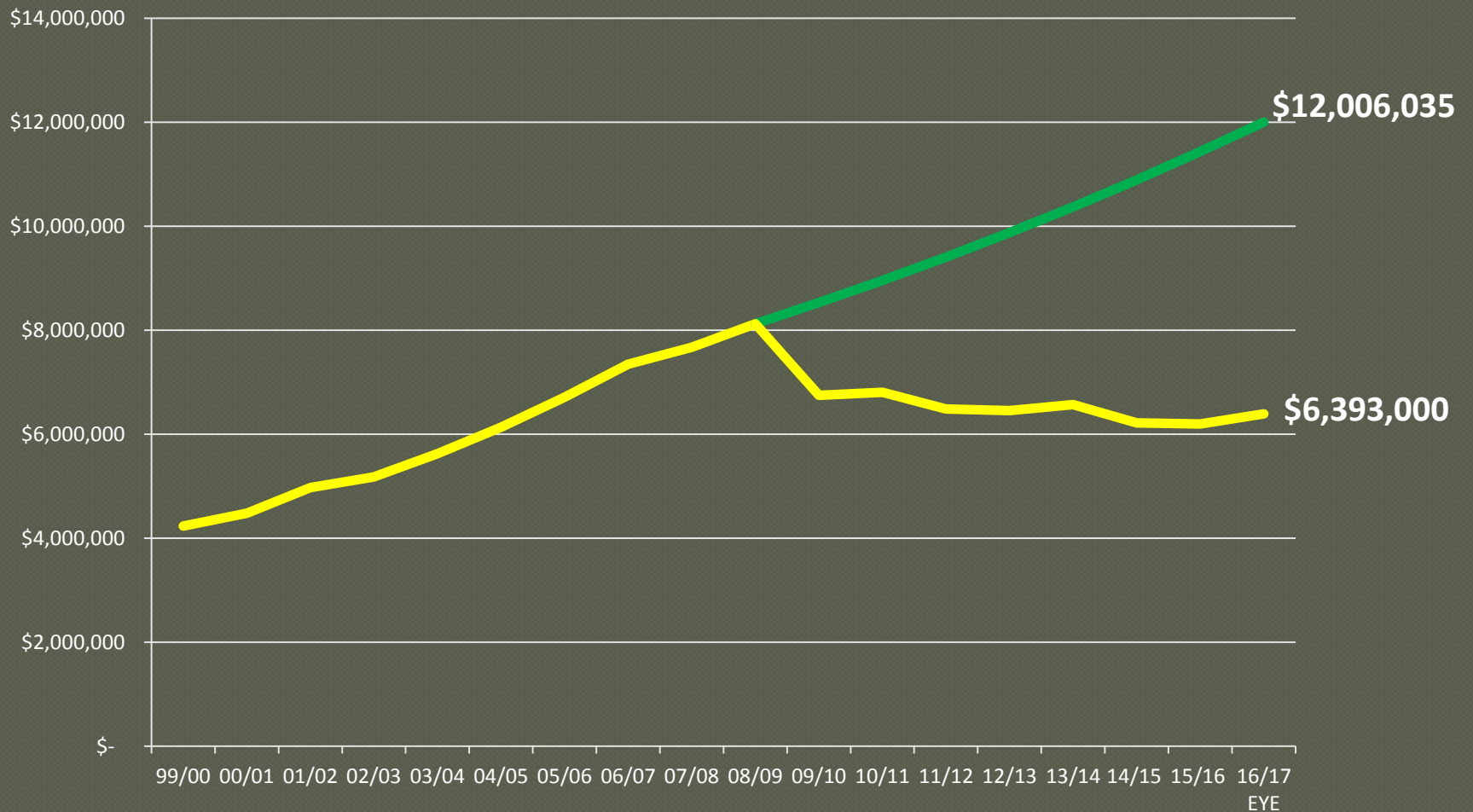
- Simplified Municipal Tax (\$100,000)
- Fines & Forfeitures (\$55,000)
- Property Tax (\$70,000)

General Fund Summary

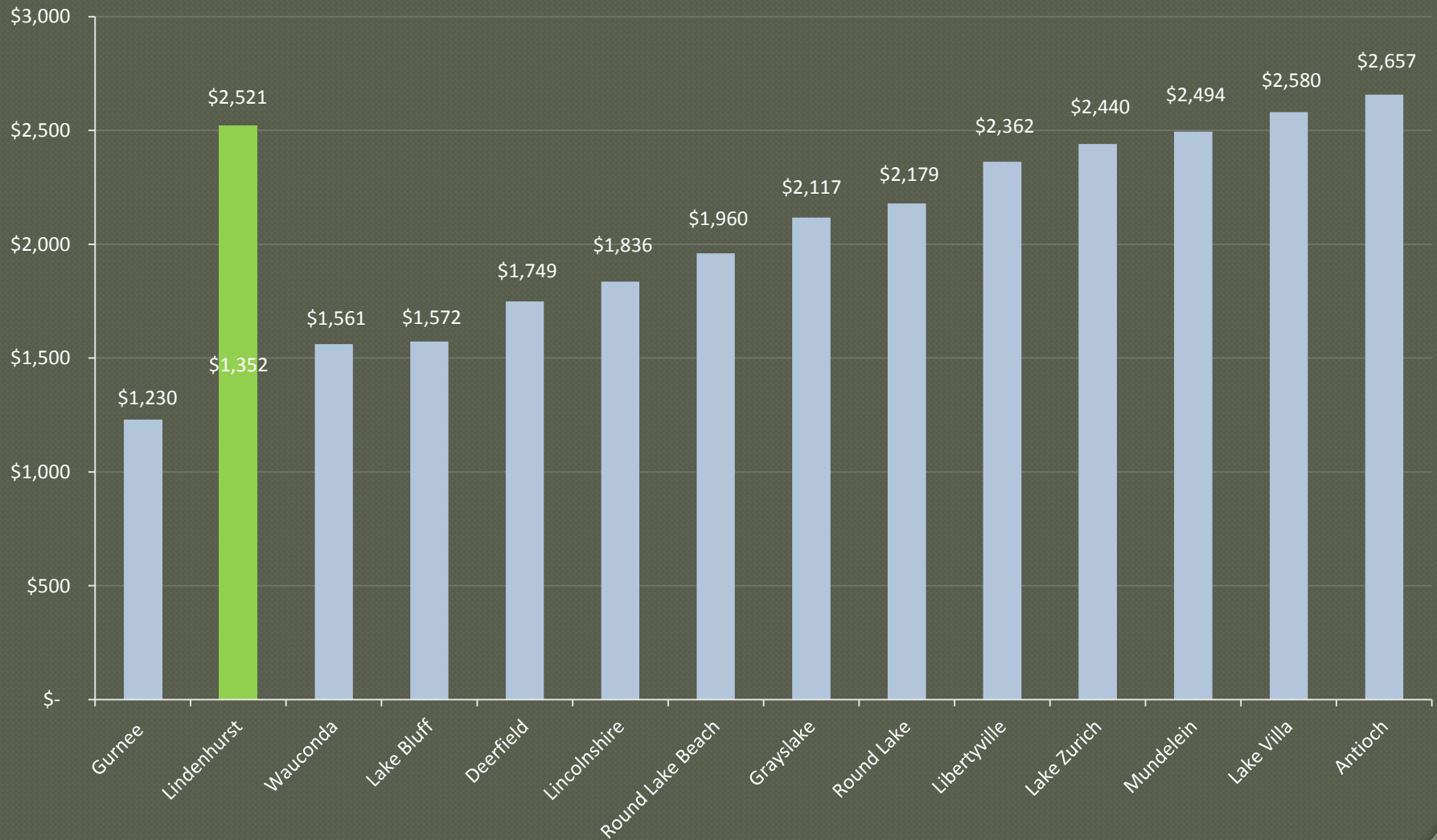
ITEM	2016/17	2017/18	2018/19	2019/20	2020/21
Operating Costs					
Administration	396,714	404,265	414,614	425,290	436,307
Building & Engineering	129,959	127,690	130,395	133,186	136,066
Buildings/Grounds	30,700	31,471	32,265	33,083	33,926
Police Department	2,205,308	2,342,617	2,434,823	2,513,612	2,606,036
Street Maintenance	742,269	760,947	793,536	819,613	846,486
Total Operating Costs	3,504,949	3,666,991	3,805,633	3,924,785	4,058,820
Total Operating Revenue	3,887,992	3,788,585	3,862,270	3,891,957	3,934,583
Operating Costs vs. Revenues	383,043	121,594	56,637	(32,828)	(124,237)
Year End Fund Balance	3,009,222	3,130,815	3,187,452	3,154,624	3,030,387
Target Balance	2,628,712	2,750,243	2,854,225	2,943,589	3,044,115
+ or - vs. Target	380,510	380,572	333,227	211,036	(13,728)

Beginning balance 5/1/2016 - \$3,390,847

Business Approach Means Results



Lindenhurst Residents Would Pay More



Financial Health Indicators

	2016	2017
1. Major Operating Funds are Balanced	A	B
2. Target Fund Balances are Met	A	B
3. Effectiveness of Enterprise Fund Multi-Year Rate Plans	A	A
4. Meeting Fixed Asset Requirements	A	A
5. Dependency on Economically Sensitive Revenues	A	A
6. Existing Debt Load	B	D
7. Future Debt Load	D	D

Dependency on Income Tax

	2016/17	2017/18	2018/19	2019/20	2020/21
2016 Forecast % Operating Dependency	60%	64%	69%	72%	81%
2017 Forecast % Operating Dependency	63%	61%	66%	73%	80%

FY 2016/2017 Performance

2016/2017 Performance

- Total Operating Spending Less Than FY 05/06

FY 14/15 Actual	FY 15/16 Actual	FY 16/17 EYE
\$6,217,623	\$6,199,498	\$6,393,000

FY 05/06 Actual	FY 16/17 EYE	Difference
\$6,712,744	\$6,393,000	(\$319,744)

FY 16/17 Performance

Strong Financial Position

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

Fund	FY 08/09	FY 16/17 EYE
General Fund	(\$389,578)	\$382,762
Water & Sewer	(\$918,432)	\$676,397
Total	(\$1,308,010)	\$1,059,159

General Fund - Target Balance Met

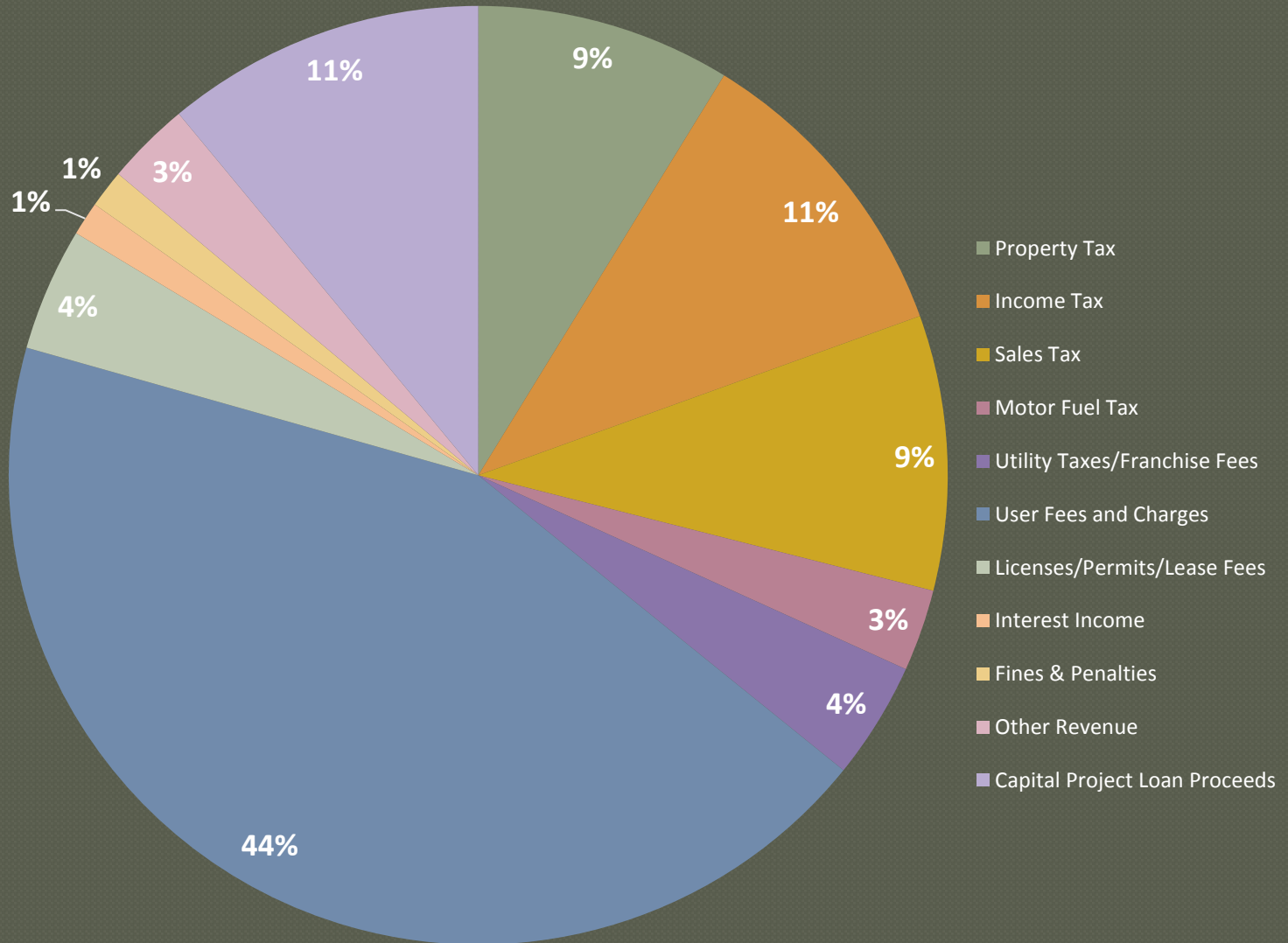
Balance 5-1-16 (Beginning)	\$3,390,847
Transfer to Community Capital	(\$764,668)
FY 16/17 Projected Net Income	<u>\$382,762</u>
Balance 4-30-16 (Ending)	\$3,008,941
Target Balance (75% of 17/18 Exp)	\$2,705,956
Possible FY 17/18 Transfer to Capital	\$302,985

Budget Overview

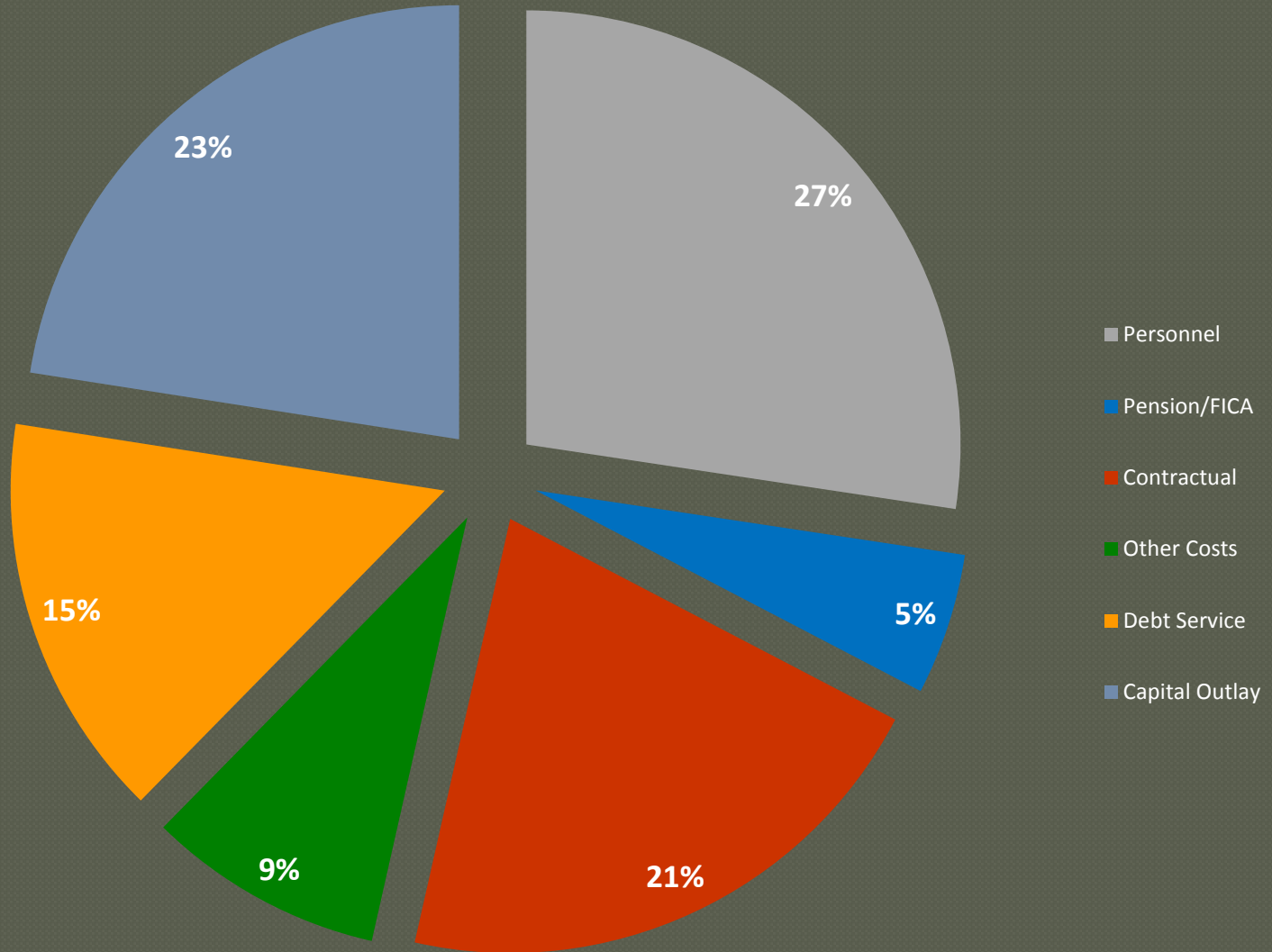
2017/2018 Budget

- Major Budget Highlights
 - Total Operating Revenues = \$10,405,765
 - Total Operating Expenditures = \$9,997,572
 - Total Capital Project Revenues = \$2,873,791
 - Total Capital Project Expenditures = \$3,387,799

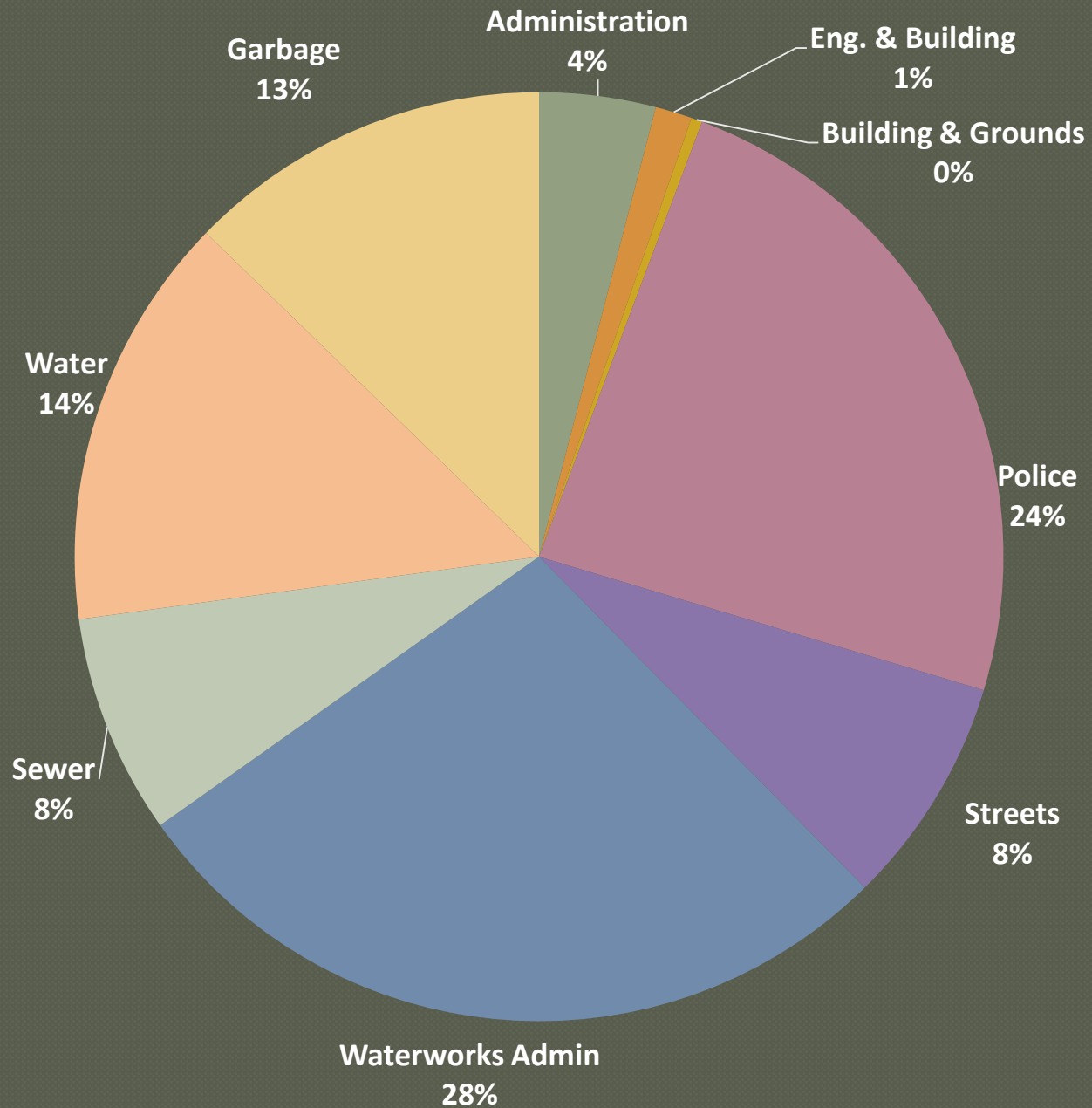
FY 17-18 Revenues By Type



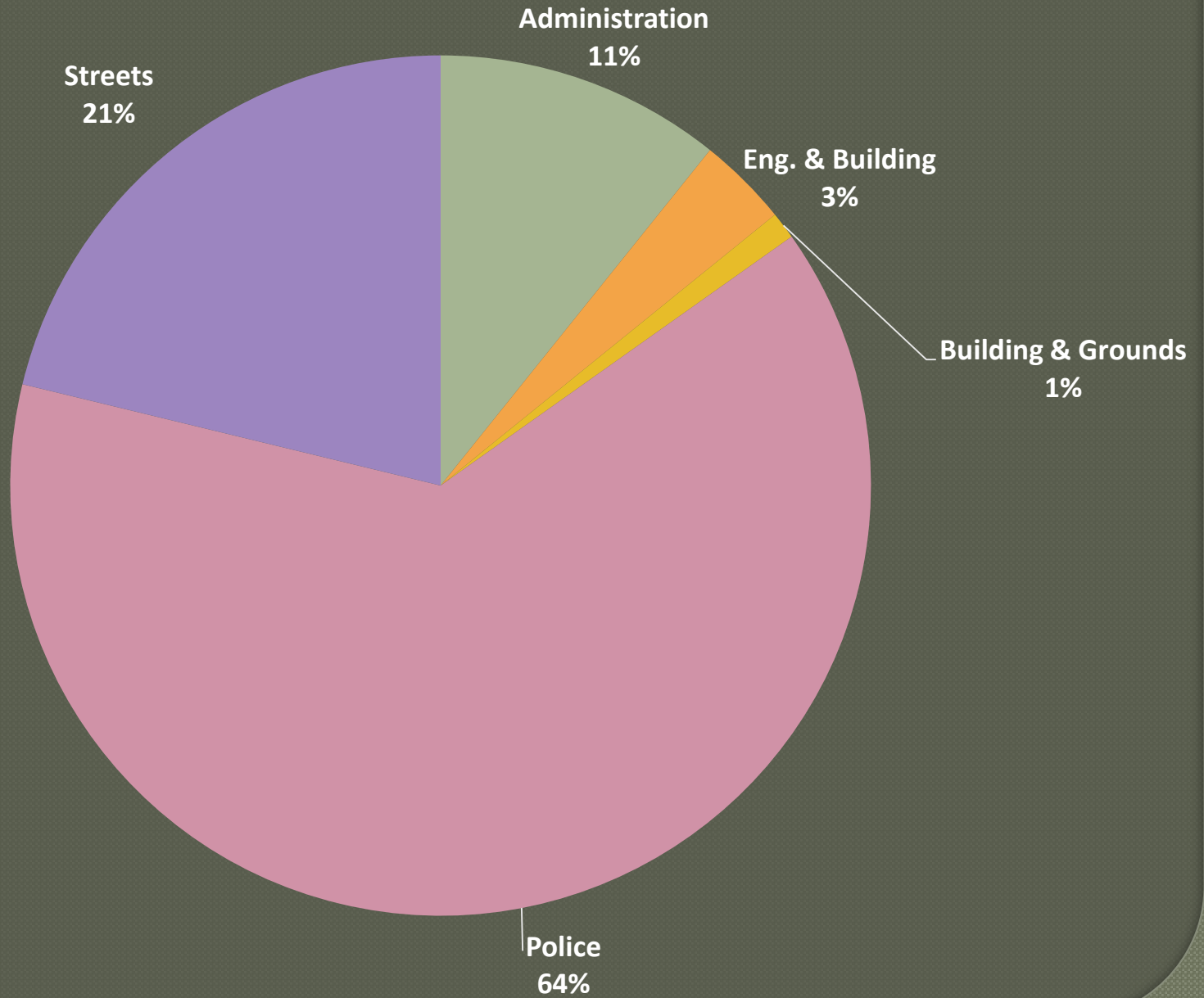
FY 17-18 Expenses By Type



Operating Spending By Area



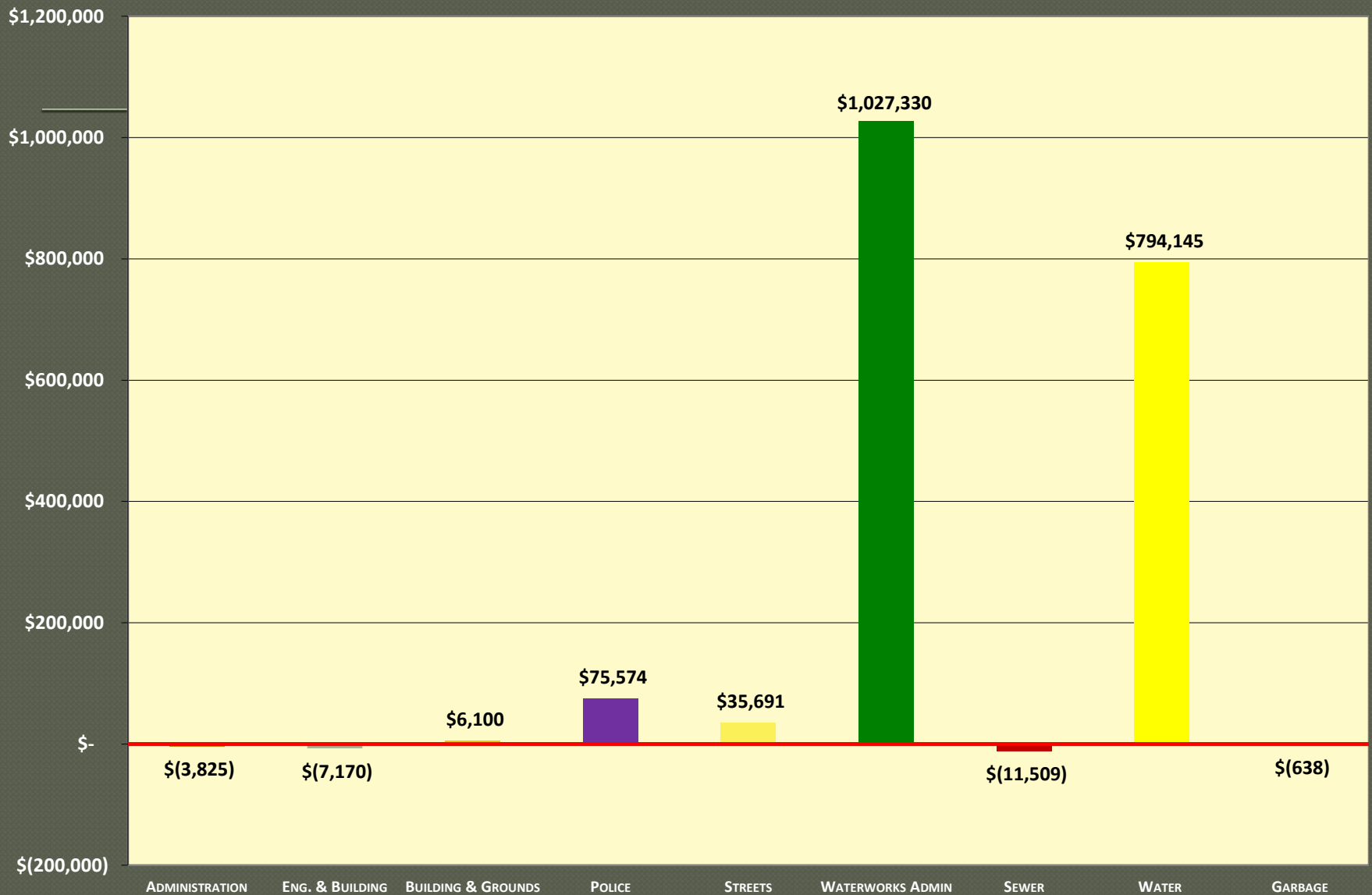
General Fund Operating Spending By Area



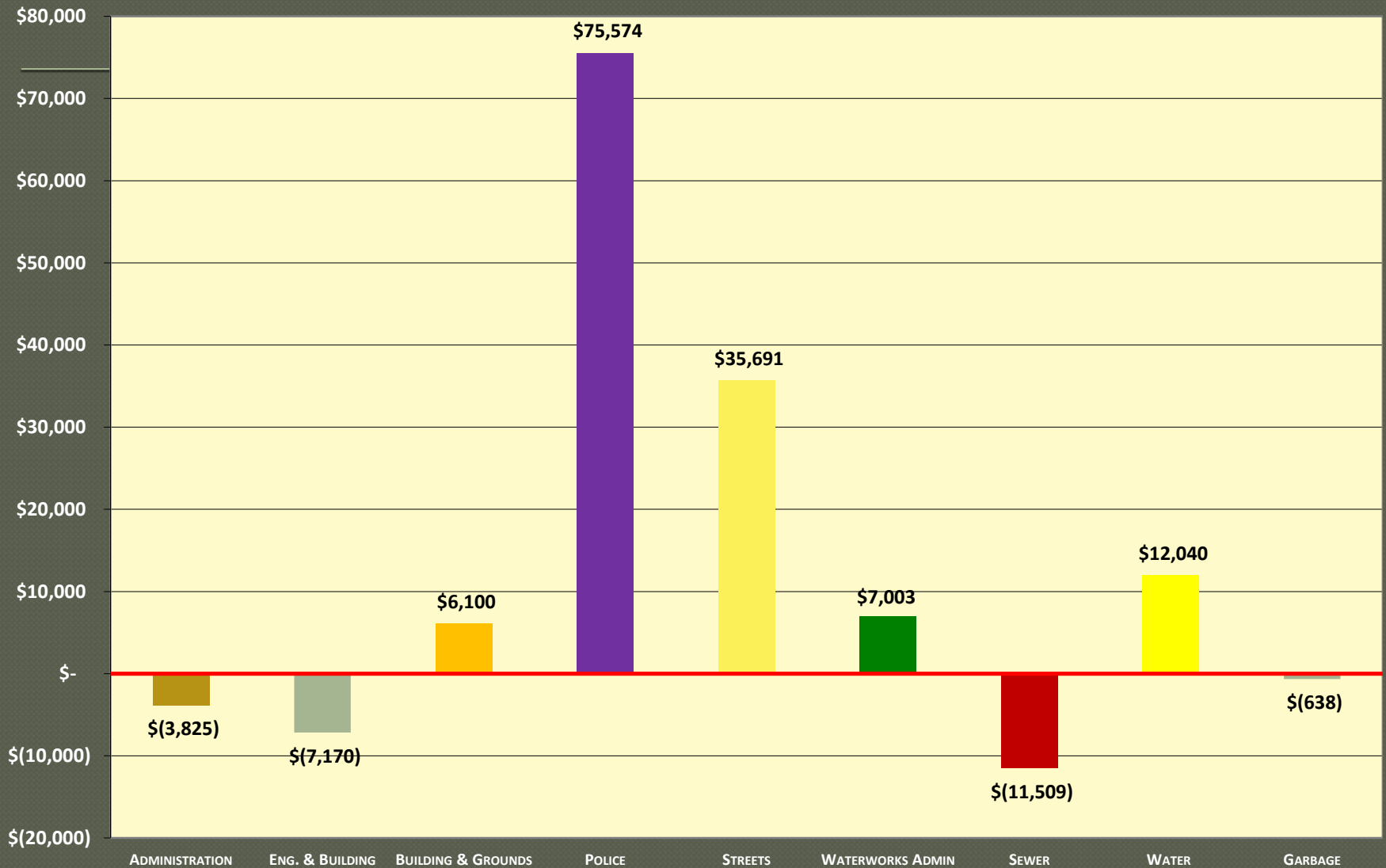
2017/2018 Budget

- General Fund projected surplus of \$106,142
- Water & Sewer Fund projected surplus of \$45,951
- Total Operating Spending is up \$1,915,698
 - CLCJAWA Water Purchase Costs \$782,105
 - Lake Michigan Water Debt Costs \$1,020,327
- Excluding Lake Michigan Water costs, spending is up 1.48% (\$113,266)
 - Administration (\$3,825)
 - Engineering and Building (\$7,170)
 - Building and Grounds \$6,100
 - Streets \$35,691
 - Police \$75,574
 - Waterworks Administration \$7,003
 - Sewer (\$11,509)
 - Water \$12,040
 - Garbage (\$638)

FY 2017/2018 Spending Changes By Operating Area



FY 2017/2018 Spending Changes By Operating Area Excluding New Lake Michigan Water Costs



Major Budget Decisions

Major Budget Decisions

1. Review and Discuss Draft Budget
 - a. Key Budget Points
 - b. Review 17/18 Budget Cuts
 - c. Review 17/18 Budget Increases/Additions
2. Operating Area Budget Overview
 - a) Administration
 - b) Building & Engineering
 - c) Building & Grounds
 - d) Public Works
 - e) Police
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. Commission Budget Requests
9. Executive Session (Personnel)
10. Motion: Budget Recommendation

Major Budget Decisions

Review and Discuss Draft Budget

Budget Cuts/Major Increases

- Key Budget Points
- 17/18 Budget Cuts
- 17/18 Major Increases

Major Budget Decisions

Operating Area Budget Overview

Major Budget Decisions

New Equipment Requests – Operating

- Administration & Water/Sewer Administration
 - Miscellaneous PC Replacement/Software \$500
 - Miscellaneous Equipment/Unanticipated \$2,000
 - Postal Meter Rental (Post Office) \$500

- Police
 - Heartstart Defibrillator \$2,000
 - Go Bags (8 squads x \$250) \$2,000
 - Trauma Equipment \$1,100

Major Budget Decisions

New Equipment Requests – Operating

- Streets

- Tire Replacements - Trailers \$220
- De-Icing Storage Tank \$3,500
- Case Skid Steer Tire Replacement \$1,000

Major Budget Decisions

New Equipment Requests – Operating

■ Sewer

- DR 900 Hach Kit \$1,375
- Tire Replacements - trailers \$290

■ Water

- Orion Star pH Meter \$1,100
- DR 900 Hach Kit \$550
- Dewatering Pump \$1,350
- Tire Replacements - trailers \$220
- Utility Line Locator \$4,000

Major Budget Decisions

New Equipment Requests – Non-Operating

- DUI Fund

- Uniform Quartermaster Program \$6,000

- 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

- Two squad cars \$57,120
 - Request from Police to convert all remaining sedans to SUVs in 20 year replacement schedule.

Public Works Truck Replacement Fund

- 2.5-Ton Dump with Plow \$148,000
- Pick-up Truck with Plow \$40,500
- Truck 10 (FY 15/16 carryover) \$30,000

FY 2017/2018
Major Community Improvements

Major Budget Decisions

Community Capital Fund

● Projects For Consideration

● Police Records Management Year 3 of 5	\$21,348
● Resurfacing Program Design Eng	\$25,000
● Pavement Patching – Village Wide	\$75,000
● Tree Planting EAB Program Year 4 of 15	\$45,000
● Replacement of Village Entry Signs	\$85,000
● Village Hall/Police LED Information Sign	\$50,000
● IDOT Route 132 Village Contribution	\$409,075
● Acquisition of Hazelwood Lot	\$52,000
● Lake Shore Drive Design Engineering Phase I	\$225,000
● Grand Ave Sidewalk Construction & Eng.	\$313,000
● Police Station Booking Area Improvements	\$150,000
● Police Station HVAC Replacement	\$40,000
● Crossmatch Live Scan Fingerprinting System Replace	\$10,300
● Capital Costs – Dispatch Transition	\$28,640
● Lindenhurst Drive Phase II Stormwater Improvements	\$100,000
● Computer Replacements	\$10,000

Major Budget Decisions

EAB Program Update

2017 EAB Management Program Projections

	Ash Trees	Remove & Replace	In- House	Remaining Removals	Percent Removed	Remaining Replacements	Percent Replaced
2014	1489	161	0	1328	11%	1328	11%
2015	1328	122	285	921	38%	1206	19%
2016	921	207	389	325	78%	999	33%
2017	325	100	200	25	98%	899	40%
2018	121	100	21	0	100%	799	46%
2019	0	200	0	0	100%	599	60%
2020	0	200	0	0		399	73%
2021	0	200	0	0		199	87%
2022	0	200	0	0		0	100%
2023	0	200	0	0		0	100%

Lake Shore Drive Improvement

Estimated Cost - \$2.8 million

Eligible for STP Funding

80% Federal

20% Village

Village required to fund Phase I engineering design

Phase II & III Engineering are eligible for federal funding

Est. Village Costs

Phase I - \$150,000

Construction - \$560,000



Major Budget Decisions

Community Capital Fund

- Police Station Booking Area Remodeling

Major Budget Decisions

Water & Sewer Capital Fund

◎ Projects Recommended

- | | |
|---|-----------|
| • Grand Avenue Pump Station Remaining | \$496,000 |
| • Automatic Flow-Paced T-Valves WWTF | \$47,000 |
| • Lake Water Receiving Facility Remaining | \$683,418 |
| • Southeast Utilities Debt | \$320,000 |

Major Budget Decisions

LM Water Internal System Improvements

Financial Update

Project	Contract Amount	Actual Costs
Water Main Phase I	\$6,329,701	\$6,269,670
Water Main Phase II	\$6,496,000	\$6,329,758
Receiving Facility & Reservoir	\$3,522,000	\$2,863,682 (YTD)

Major Budget Decisions

Lake Michigan Water Project Update

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



A detailed map showing a proposed water transmission main project. The map includes residential streets, parks, and water bodies. Key features include: a 16-inch water transmission main (thick black line) running from the top left towards the center; a 10-inch water transmission main (thinner black line) running from the center towards the bottom right; a 20-inch water transmission main (thick black line) running from the bottom left towards the center; and two delivery structures: one for the Lindenhurst connection and another for the Grandwood Park connection. The map is divided into two bid packages: Bid Package No. 2 (top) and Bid Package No. 1A (bottom). Various streets are labeled, including Sand Lake, Stearns School Road, Grand Ave, and Washington St. A north arrow is located in the top right corner.

**DELIVERY STRUCTURE
LINDENHURST CONNECTION**

**16" WATER TRANSMISSION MAIN
(THIS DRAWING SET)**

**DELIVERY STRUCTURE
GRANDWOOD PARK
CONNECTION**

10" WATER TRANSMISSION MAIN

20" WATER TRANSMISSION MAIN

**BID PACKAGE
NO. 2**

BID PACKAGE NO. 1A

Lake Michigan Water Update

● Bid Package 1A

- Gurnee delivery structure to Grandwood Park Delivery Structure.
- Contract awarded to Joel Kennedy Construction.
- Construction underway with an estimated completion date of August, 2017.
- Will provide Lake Michigan water to unincorporated County area known as Grandwood Park.
- Contract includes the all four delivery structures.

Lake Michigan Water Update

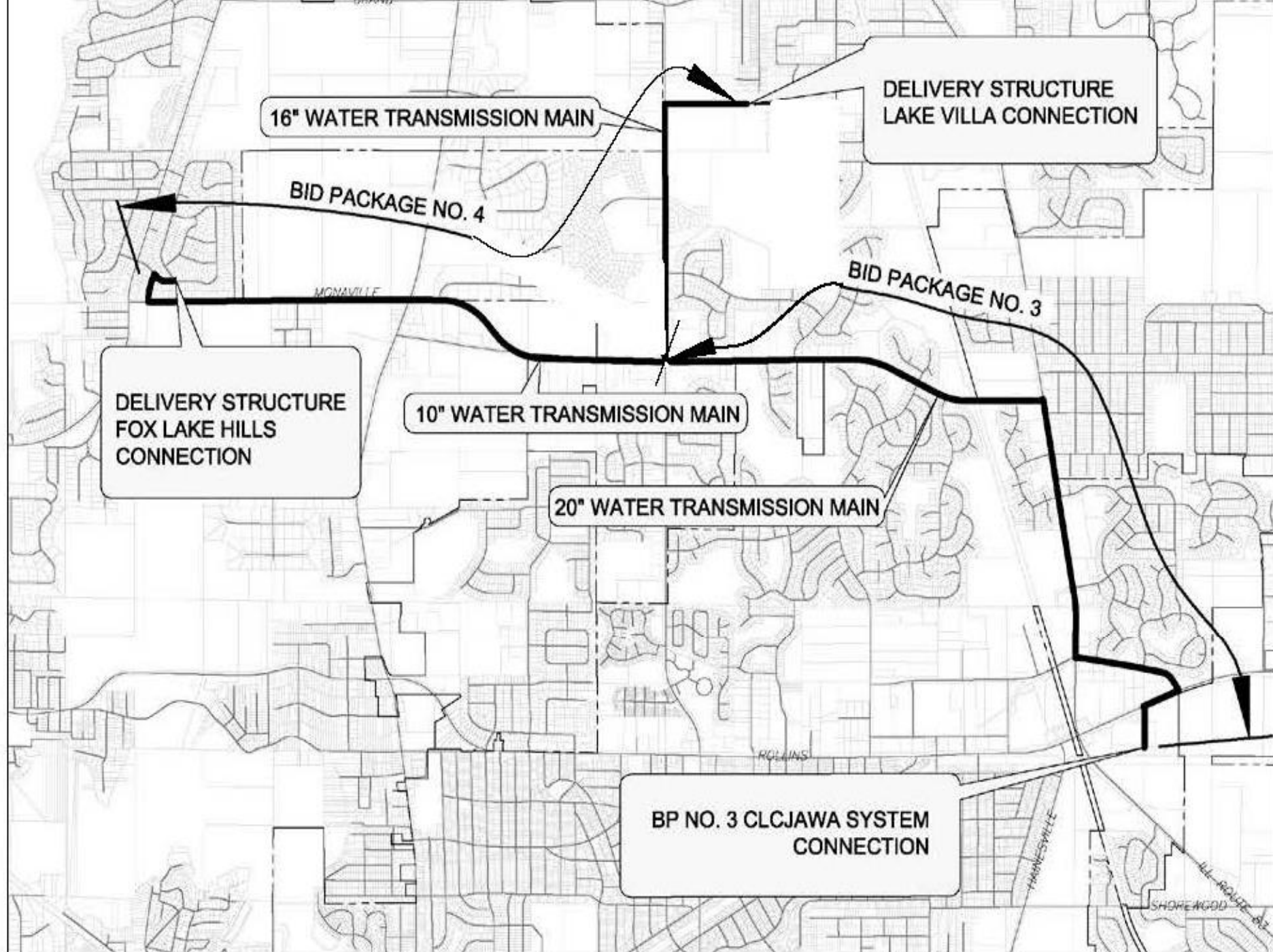
● Bid Package 2

- Grandwood Park Delivery Structure to Lindenhurst Delivery structure.
- Contract awarded to Campanella & Sons.
- Construction underway with an estimated completion date of January, 2018.
- Will provide Lake Michigan water to Lindenhurst.

Lake Michigan Water Update

● Bid Package 2

- Grandwood Park Delivery Structure to Lindenhurst Delivery structure.
- Contract awarded to Campanella & Sons.
- Construction underway with an estimated completion date of January, 2018.
- Will provide Lake Michigan water to Lindenhurst.



Lake Michigan Water Update

● Bid Package 3

- Round Lake Beach Delivery Structure to Monaville/Cedar Lake Road.
- Contract anticipated to be bid in April.
- Anticipated timeline for completion is Fall of 2018.
- Will provide Lake Michigan water to Lake Villa, with Bid Package 4.
- Project needs to obtain 6 easements.
- Design engineering is substantially complete.

Lake Michigan Water Update

Summary of Costs

- \$46 Million Special Service Area (SSA)

Contract	Estimate	Award	% Estimate	Engineering
Pre-Construction	\$7M	\$5.5M	100%	N/A
Bid Package 1A	\$10M	\$8.5M	85%	\$950,000
Bid Package 2	\$6.2M	\$4.1M	66%	\$400,000
Bid Package 3	\$11M	\$11M*	100%	\$1.1M
Bid Package 4	\$11M	\$11M*	100%	\$1.1M
Total	\$45.2M	\$40.1M		\$3.5M

*Based on engineer's estimate

Pre-Construction costs include Route Study (\$148,700), Design Engineering (\$3.6 million), Easement Acquisition Allocation (\$1 million), Easement Services (\$724,400) and Permits (\$60,000)

Major Budget Decisions

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

Major Budget Decisions

Executive Session:
Recommended Changes to Pay Plan

Major Budget Decisions

Motion: Budget Recommendation