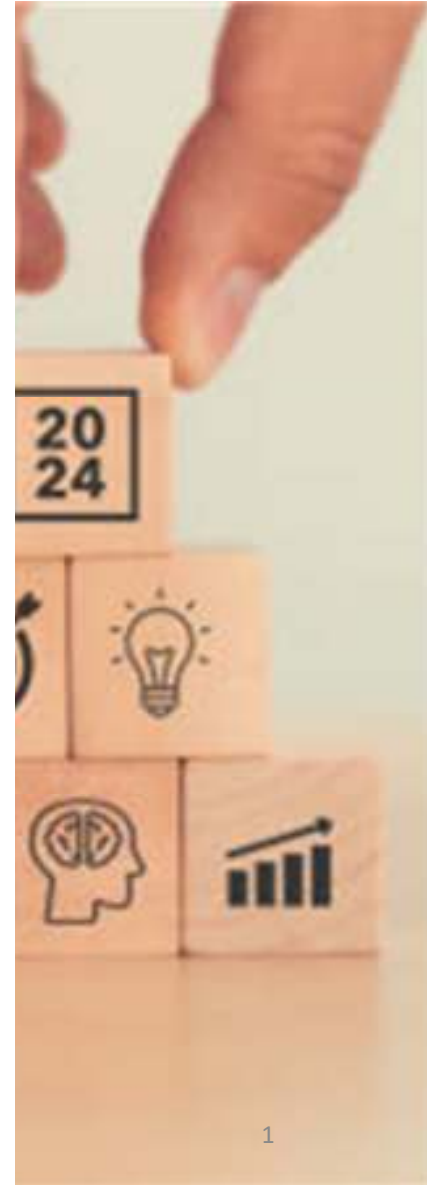


2024 Budget General Fund Overview

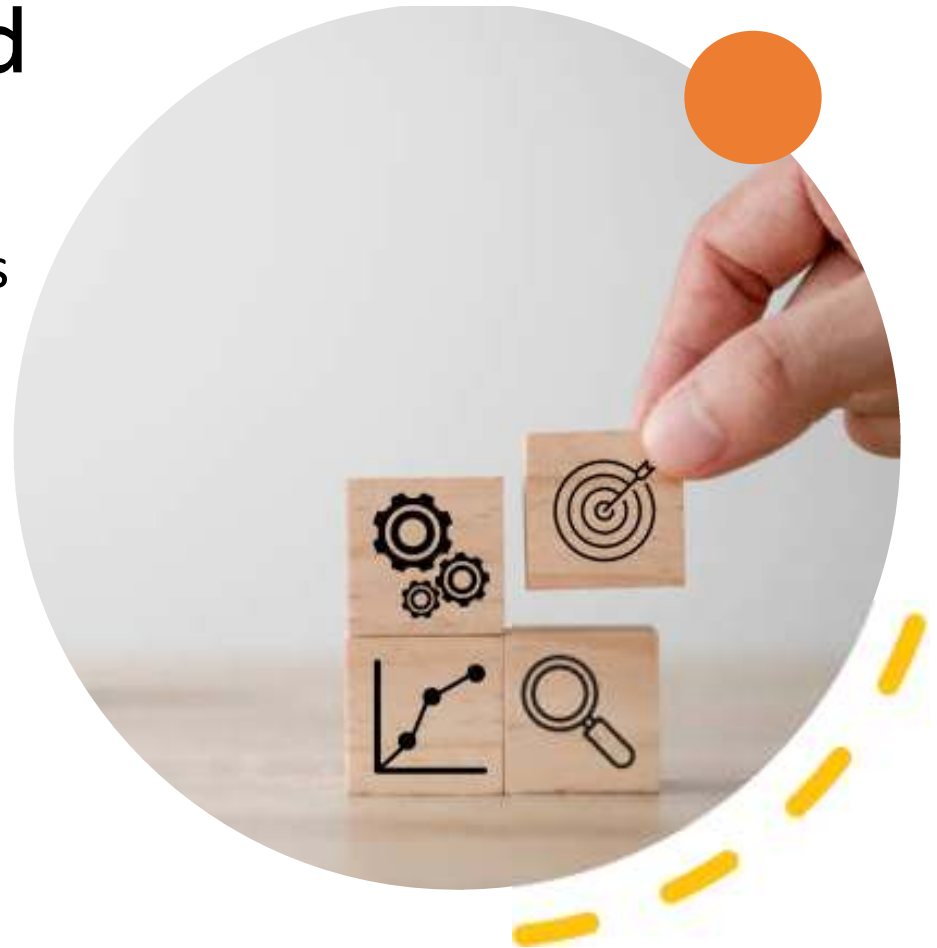
Building Blocks for the Future

-
- September 21, 2023
 - Trustee Andrew Honig, Chairperson Finance & Administration Committee
 - Scott Niehaus, Village Manager
 - Tim Sexton, Director of Finance



Agenda - General Fund

- Strategic Plan Review
- Revenue & Expenditure Assumptions
- Recap of Long Range Plan
- 2024 Budget Overview
- Policy Considerations
- Look to the Future
- Summary



Strategic Plan Review

Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Financial Sustainability	Financial strength	- Bond Rating	- BBB in 2023 - AA+ in 2028	a) Develop plan and process to promote strong Village financial condition to rating agencies b) Develop options for use of federal stimulus funds c) Establish strategy for revenue diversity and stabilization
	Prudent use of Federal funds	- Revenue generated - Expenditures leveraged - Cost savings achieved	- Businesses assisted are in targeted sectors most impacted - Positive ROI on Federal Funds used for Economic Development by 2024	
	Stable & predictable revenue	- Revenue variability reduction	- From 2021-2024 revenues remain stable	

These goals will have direct application to budget policy in the following areas:

- Reserve Policies
- Use of Surplus
- Revenue Streams (including Levy)

Objectives related to Budgeting & Economic Development

Strategic Plan Review

These goals will have direct application to budget policy in the following areas:

- Salary Ranges
- Merit Compensation
- Wage Adjustments
- Tech Reserve
- Vehicle Reserve (as discussed by the Public Works committee on 9/12/23)
- Building Improvements
- CIP Plan
- Construction of New Buildings (Building Blocks for the Future)

Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Operational Excellence	Competent workforce	- % meeting training standards - # employees meeting standards	- >90% employees meet expectations on performance evaluations by 2024	a) Develop contingency and innovation strategy b) Develop improved customer service process improvements and survey methods c) Explore uses of technology to support improved operational effectiveness
	Efficient Service Delivery	- Processing, response, cycle times	- Improved service delivery via innovation – one area per department by 2024	
	Improved operational effectiveness	- # innovations improve service - # process improvements - % positive satisfaction rating	- Reduced operational costs -2021-2024 - Resident satisfaction #/above 75% by 2024	
Well Maintained Infrastructure	Facilities adequate to meet operational needs	- Condition ratings achieved - # gaps closed	- Complete facility plan for public safety by 2024 - Complete fleet expansion project by 2024 - Address 2 operational deficiencies by 2024	a) Develop and implement comprehensive facilities plan b) Complete feasibility assessment of shared Public Safety facility c) Revise Pavement Management Policy (6.3) d) Develop inspectional program for infrastructure & maintenance strategies e) Enhance CIP implementation to meet targeted needs
	High quality and reliable utility and roadway systems	- Roadway OCl achieved - Water main break rate reduction - Sewer back-up reduction	- OCl of 74/100 - 20 main breaks/100 M by 2024 - Reduction of 25% in sewer back-ups by 2024	
	Effective project management	- Deadlines met - Budget targets achieved	- 95% of projects completed on-time/on budget - Change orders limited to <1%	

Objectives related to Operations & Infrastructure

Multi-Year Financial Forecast General Fund Revenue & Expenditure Assumptions



Conservative Budgeting Policy adopted July 21, 2016 to provide stability for long-term trends. Individual years may vary.

Strategic Goal: Stable & Predictable Revenue

Multi-Year Financial Forecast Assumptions

Revenue Assumptions

3.0% Annual Growth

Property Tax (assumed max levy per statute)

Income Tax

Amusement Tax

Fees, fines, licenses, and permits

0.0% Annual Growth (subject to change based on trend analysis)

Sales, Use, & Places for Eating Tax

Utility Tax: Gas, Electric, Telecommunications

Expense Assumptions

Salary Progressions 4.0%

Health Insurance 7.5%

Retirement Benefits:

Illinois Municipal Retirement Fund 4.0%

Police & Fire Pension Funds 7.5%-9.0%

Technology Reserve 1.5%

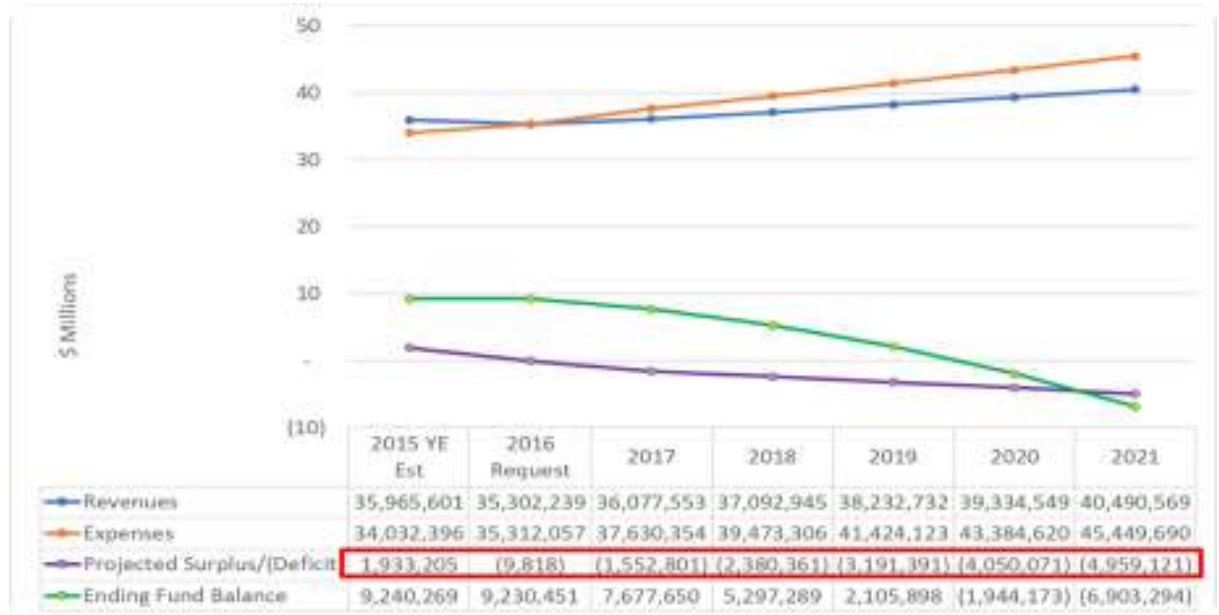
Fleet Services 3.0% (includes fuel, labor costs, and parts)

All other costs 3.0%

Long-Range Financial Plan

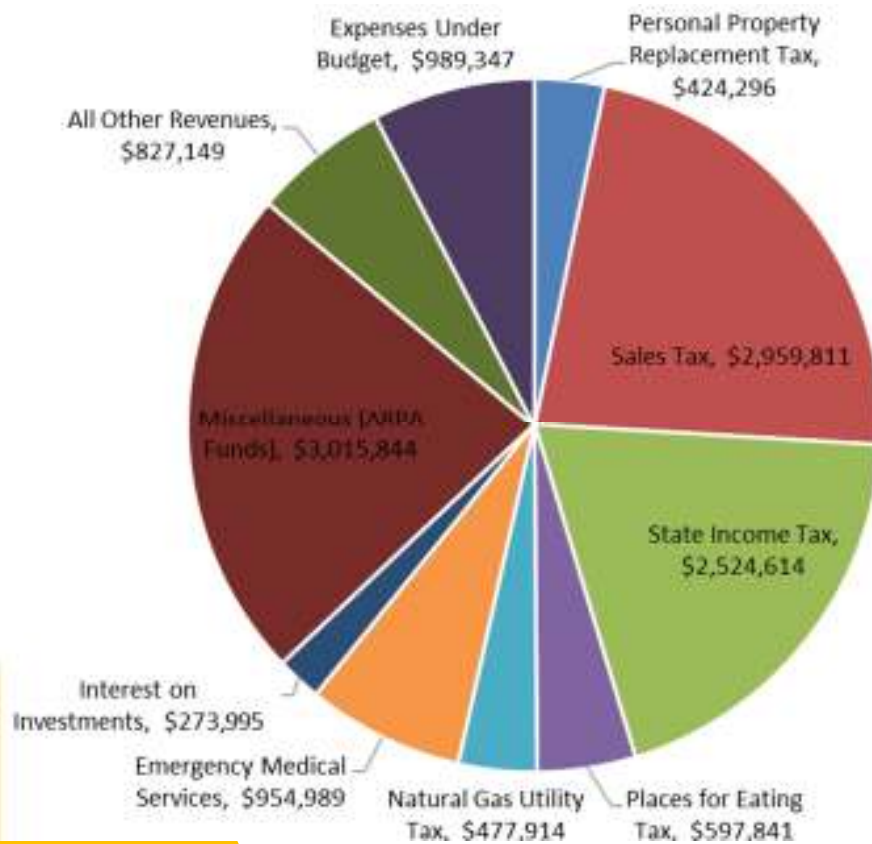
- **The Village Board undertook a Long-Range Financial Plan effort in 2016 and established the following financial priorities**
 - Establish sufficient reserves in the case of an emergency, either on the revenue or expense side
 - Pay down pension liabilities
 - Establish fund for future building needs, as all Village facilities are aging
 - As referenced earlier, this policy was amended in 2021 to include funds for economic development and business retention
- **Each year, any Revenues over Expenditures are put through the year-end waterfall to fund these priorities**

2016 Long Range Plan Positive Results

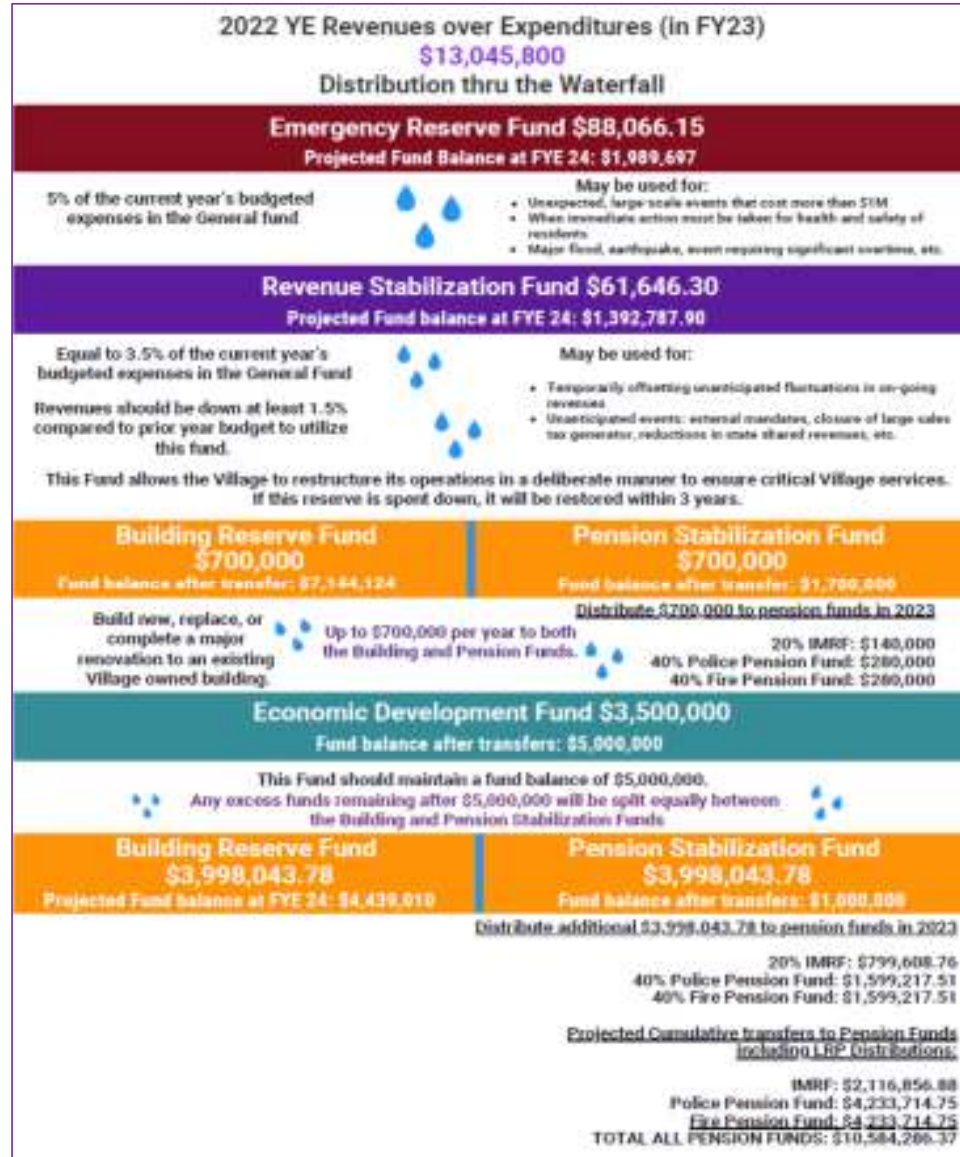


- April 2016: Initial budget forecast 2017-2021 **projected a deficit of \$4,959,121 for 2021 YE**
- 2024 – Balanced Budget
- All Revenues over Expenditures are put through the Waterfall

2022 Revenues over Expenditures – Compared to Budget



Reserve Policy Overview – Waterfall for 2022 YE Revenues over Expenditures (in 2023)



Budget Summary

General Fund Only	2022 Actual	2023 Budget	2023 Estimated Amount	2024 Budget	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget	\$ Over/Under 2023 YE Estimate	% Over/Under 2023 YE Estimate
Revenues	\$50,338,221	\$42,204,960	\$44,133,040	\$43,973,270	\$1,768,310	4.19%	(\$159,770)	-0.36%
Expenses	\$44,674,416	\$39,793,940	\$39,084,740	\$43,973,270	\$4,179,330	10.50%	\$4,888,530	11.12%
Projected Revenues less Expenses		\$2,411,020	\$5,048,300	\$0				

***Revenues:**

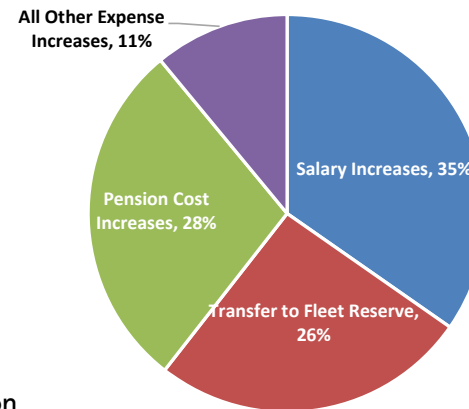
FY22 Actual includes \$3,014,479 of ARPA \$

****Expenses:**

FY23 Estimate does not include \$13,045,800 transfers to "waterfall"

- The Village has a balanced budget (\$0 revenue over expenditures)
- No levy increase currently included in the General Fund for 2024
- Projecting a pullback in revenues from highs in 2022/2023, but still significantly higher than in the past
- Second Deputy Fire Chief included, pending Board approval, \$184,000 in 2024 budget

Composition of Total 2024 Budget Increase



Primary Reasons for Major Budget Increases in 2024

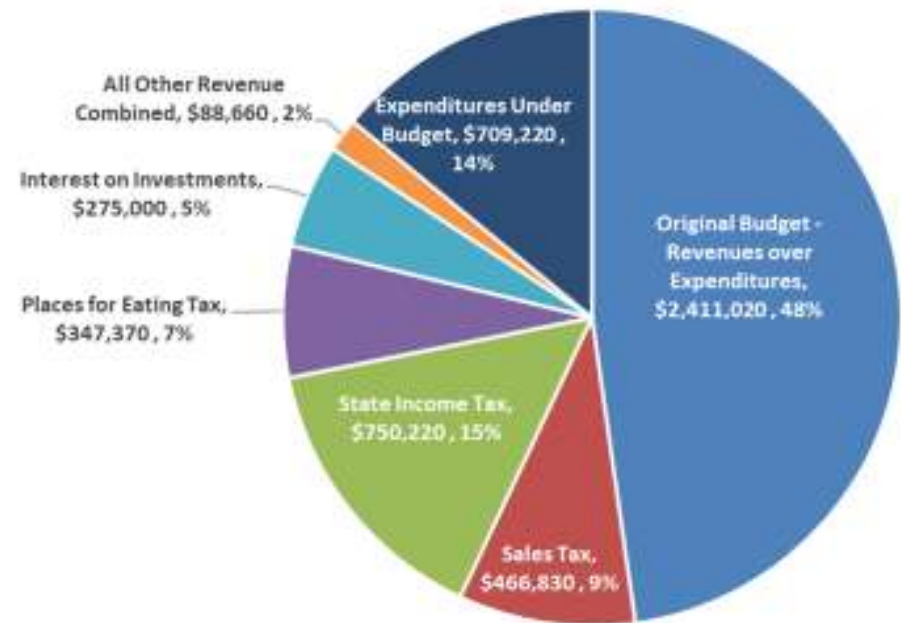
1. Salary increases - \$1.45 million
 - Strategic Goal: Competent Workforce
2. Increase in pension costs due to 2022 investment performance and updated actuarial assumptions - \$1.19 million
 - Strategic Goal: Financial Strength - Bond Rating
3. Transfer to Fleet Reserve for future fleet purchases due to rapid increase in vehicle prices - \$1.08 million
 - Public Works Committee - Discussion/Review 9/12/2023
 - Strategic Goal: Efficient Service Delivery

- Comprise \$3.72 million of the \$4.18 million increase (89%).
- Without these 3 categories, increase year over year is \$466,000 (1.1%)

FY23 YE Budget Summary (Estimated)

Estimated Actual Revenues/Expenses Compared to Budget

Source	Difference
Original Budget - Revenues over Expenditures	\$2,411,020
Sales Tax	\$466,830
State Income Tax	\$750,220
Places for Eating Tax	\$347,370
Interest on Investments	\$275,000
All Other Revenue Combined	\$88,660
Expenditures Under Budget	\$709,220
	\$5,048,320



- Not including Waterfall funds, FY23 year-end estimates of revenues over expenditures are \$5.048 million.
 - FY23 Budget was \$2.4 million revenues over expenditures
- Estimate that Building Reserve & Pensions will each receive approximately \$2.4 million as part of the year-end waterfall in mid-2024.

FY23 YE Budget Summary

- Sales Tax
 - Average between 2015 – 2019: \$11,807,470
 - 2021 Actual - \$12,306,383
 - 2022 Actual - \$13,642,727
- Income Tax
 - Average between 2015 – 2019: \$4,329,144
 - 2021 Actual - \$5,886,220
 - 2022 Actual - \$7,303,184
- Both revenues have had more growth in the last 2 years than in the previous 20 years
- Both have also begun to fall off their highs in 2023 compared to 2022
- Assumptions for FY 2024 project a significant pullback.



FY 2024 Revenue & Expenditure Assumptions

- Top 10 General Fund Revenues Assumptions
- Top 10 General Fund Expense Assumptions

Top 10 FY 2024 General Fund Revenues



Revenue Source	2022 Actual	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Revenues	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget
Sales Tax	\$13,586,971	\$12,274,460	\$12,741,290	\$12,741,290	\$466,830	3.80%
State Income Tax (LGDF)	\$7,303,184	\$5,259,860	\$6,010,080	\$5,785,930	\$526,070	10.00%
Police Pension Levy	\$3,295,729	\$3,243,210	\$3,243,470	\$4,195,400	\$952,190	29.36%
Places for Eating Tax	\$3,500,751	\$3,394,800	\$3,742,170	\$3,742,170	\$347,370	10.23%
Utility Tax (Gas, Electric, Telecommunications)	\$3,509,632	\$3,283,100	\$3,089,870	\$2,916,690	(\$366,410)	-11.16%

Top 10 FY 2024 General Fund Revenues



Revenue Source	2022 Actual	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Revenues	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget
Fire Pension Levy	\$2,460,774	\$2,588,170	\$2,590,380	\$2,821,460	\$233,290	9.01%
EMS	\$3,063,769	\$2,647,200	\$2,682,040	\$2,682,040	\$34,840	1.32%
Local Use	\$1,800,993	\$1,753,780	\$1,813,040	\$1,813,040	\$59,260	3.38%
Cable TV Franchise Fee	\$738,229	\$711,600	\$738,200	\$723,200	\$11,600	1.63%
General Corporate Levy	\$1,737,917	\$1,720,880	\$1,670,210	\$708,640*	(\$1,012,240)	-58.82%

* See slide 17

History of General Fund Corporate Levy



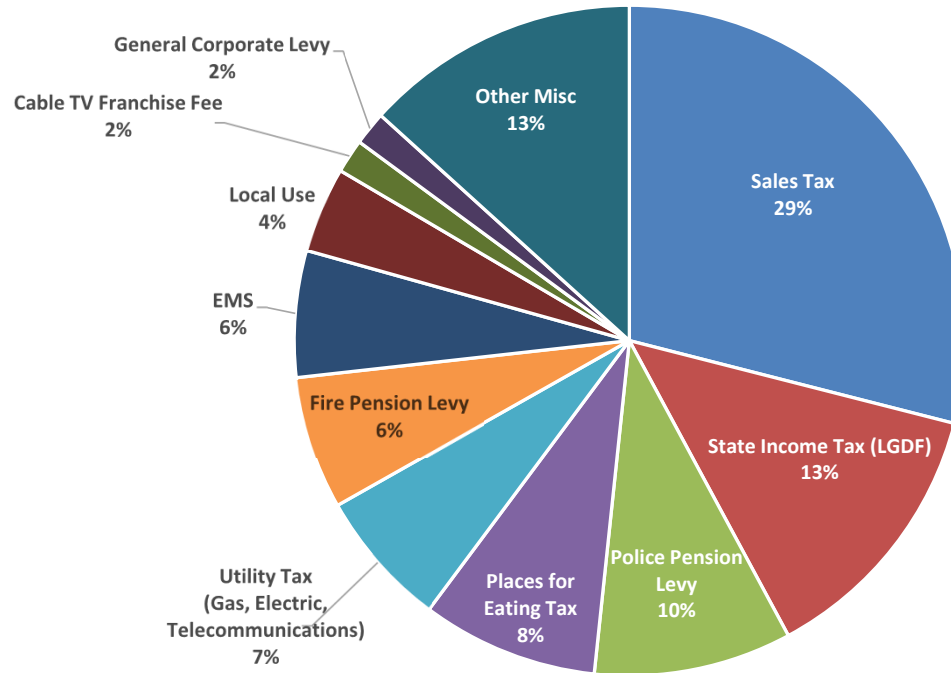
Corporate Levy History of Funding

2014	\$1,154,522
2015	\$1,183,342
2016	\$76,224
2017	\$0
2018	\$0
2019	\$1,009,422
2020	\$1,216,393
2021	\$1,354,365
2022	\$1,730,561
2023	\$1,655,578
2024	\$708,639 Proposed*

* Proposed 2024 Corporate Levy does not include the increase in levy of \$731,769

Top 10 FY 2024 General Fund Revenues

86.71%



	2022 Actual	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Revenues	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget
Total Top 10 Revenues	\$40,997,949	\$36,877,060	\$38,320,750	\$38,129,860	\$1,252,800	3.40%
Total All GF Revenues	\$50,338,221	\$42,204,960	\$44,133,040	\$43,973,270	\$1,768,310	4.19%
Top 10 vs Total GF Rev	81.44%	87.38%	86.83%	86.71%	N/A	N/A

Top 10 FY 2024 General Fund Expenditures



Non Discretionary Expense	2022 Actual	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Expenses	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget
Wages	\$ 20,129,780	\$ 21,674,570	\$ 21,022,780	\$ 23,041,655	\$1,367,085	6.31%
Health Insurance	\$ 2,708,945	\$ 2,968,250	\$ 2,825,100	\$ 2,973,890	\$5,640	0.19%
Police Pension	\$ 3,295,729	\$ 3,243,210	\$ 3,243,470	\$ 4,195,400	\$952,190	29.36%
Fire Pension	\$ 2,460,774	\$ 2,588,170	\$ 2,590,380	\$ 2,821,460	\$233,290	9.01%
Emergency Dispatch	\$ 1,023,727	\$ 1,039,740	\$ 1,087,760	\$ 1,193,090	\$153,350	14.75%

Top 10 FY 2024 General Fund Expenditures



<u>Non Discretionary Expense</u>	2022 Actual	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Expenses	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget
Fleet Services O&M	\$ 790,546	\$ 985,210	\$ 985,210	\$ 994,850	\$9,640	0.98%
Legal Services	\$ 329,066	\$ 462,000	\$ 462,000	\$ 462,000	\$0	0.00%
Technology Reserve	\$ 533,520	\$ 261,570	\$ 261,570	\$ 261,570	\$0	0.00%
Electric	\$ 209,344	\$ 315,900	\$ 295,900	\$ 295,900	(\$20,000)	-6.33%
Benefits	\$ 169,312	\$ 195,230	\$ 190,925	\$ 211,140	\$15,910	8.15%

FY 2024 General Fund Expenditures Summary

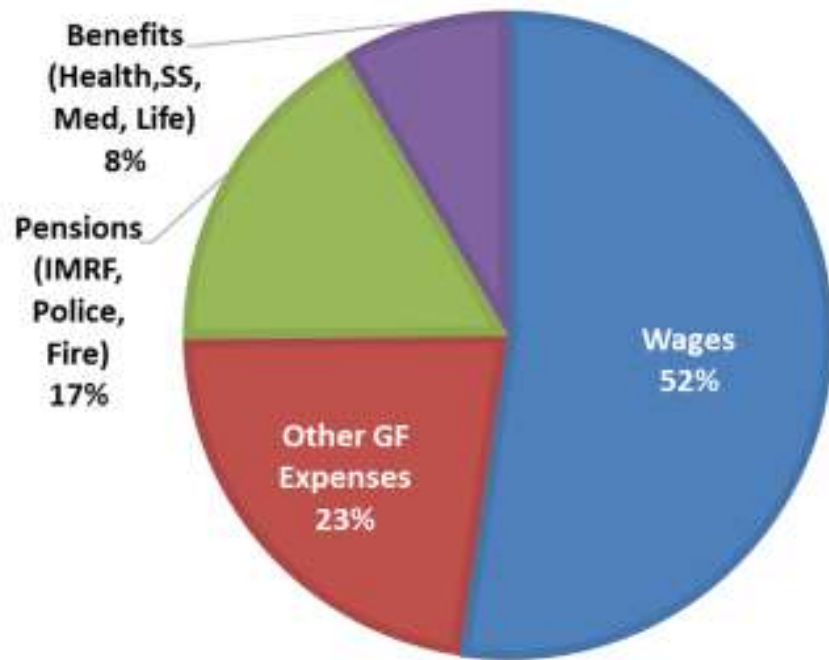


	2022 Actual	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Expenses	\$ Over/Under 2023 Budget	% Over/Under 2023 Budget	% of Total General GF
Non-Discretionary Exp	\$ 31,378,794	\$ 33,733,850	\$ 32,965,095	\$ 36,450,955	\$ 2,717,105	8.05%	82.89%
Discretionary Exp	\$ 4,640,077	\$ 5,082,330	\$ 5,081,535	\$ 6,446,825	\$ 1,364,495	26.85%	14.66%
Economic Incentive	\$ 292,165	\$ 265,000	\$ 300,000	\$ 300,000	\$ 35,000	13.21%	0.68%
Reimbursable Expenses (COBRA, Retiree Health, misc.)	\$ 681,380	\$ 712,760	\$ 738,090	\$ 775,490	\$ 62,730	8.80%	1.76%
Total General GF Expense	\$ 36,992,416	\$ 39,793,940	\$ 39,084,720	\$ 43,973,270	\$ 4,179,330	10.50%	100.00%
Transfers to Waterfall Funds	\$ 7,682,000	\$ -	\$ 13,045,820	\$ -	\$0	0.00%	0.00%

Largest increase in Discretionary Expenditures: Transfer to Fleet Reserve for future fleet purchases due to rapid increase in vehicle prices

- \$1.08 million (79% of overall increase)
- Discussed & Reviewed by Public Works Committee 9/12/2023
- **Strategic Goal: Efficient Service Delivery**

FY 2024 General Fund Wages, Pensions, Benefits



Wages, Employer Pension Contributions, and Benefits total 77% of all 2024 General Fund expenses.

Strategic Goal: Competent Workforce



2024 Budget Department Presentations

- Village Manager's Office/
Legislative/General Services
- Police
- Finance/General Services
- Community Development
- Fire
- Public Works



Building Blocks for the Future

Future financial challenges:

- Statutorily Permissible Tax Levy
- Net Pension Liabilities
- Public Safety Building Needs

These will be policy discussions for Village Board consideration.



2023 Statutorily Permissible Tax Levy

- The proposed 2023 Tax Levy uses the CPI from December 2021 – December 2022, which was again 5.0%, the same as the 2022 Tax Levy.
 - The amount of CPI that is statutorily permissible is the lower of actual CPI or 5.0%, whichever is less
 - CPI from December 2021 to December 2022 was 6.5%, therefore the statutorily permissible CPI for the 2023 levy is 5.0%
- This results in a CPI increase in the levy of \$551,361 plus Fire Pension that is exempt from the tax caps is increasing \$18,621
- New Growth can be up to \$180, 408 (only applies to New Growth if there is any)
- Overall range of levy increase estimate at full statutory amount depending how much New Growth there actually is:
 - \$569,982 - \$750,390
- Increase for \$300,000 home is \$29.04

Strategic Goal: Stable & Predictable Revenue



2023 Statutorily Permissible Tax Levy - Options

	<u>New Growth</u>	<u>Maximum Possible \$ New Growth</u>	<u>Impact of New Growth on \$300k Home</u>	<u>CPI Increase + Fire Pension Exempt</u>	<u>\$ of CPI/Fire</u>	<u>Impact of CPI/Fire on \$300k Home</u>	<u>Total New Levy \$</u>	<u>Decrease from Statutorily Permissible</u>	<u>Levy Not Taken over 10 Year Period</u>
Scenario A - New Growth + Statutory CPI	1.48%	\$180,408	0	5.17%	\$569,982	\$29.04	\$750,390		
Scenario B - New Growth + 3.0% CPI	1.48%	\$180,408	0	3.17%	\$351,574	\$17.81	\$531,982	(\$218,408)	(\$2,446,908)
Scenario A - New Growth + 1.5% CPI	1.48%	\$180,408	0	1.67%	\$187,574	\$9.38	\$367,982	(\$382,408)	(\$4,284,263)

	<u>CPI for Levy</u>	<u>Actual CPI</u>
2014	1.5%	1.5%
2015	0.8%	0.8%
2016	0.7%	0.7%
2017	2.1%	2.1%
2018	2.1%	2.1%
2019	1.9%	1.9%
2020	2.3%	2.3%
2021	1.4%	1.4%
2022	5.0%	7.0%
2023	5.0%	6.5%
10 Yr Average	2.3%	2.6%

As of June 2023 CPI released in July, current CPI through 7 months is 2.8% and has been falling each month



Pension Funding

History of Additional Pension Contributions through year-end waterfall

Waterfall Additional Contributions to Pension Funds

FYE	Police	Fire	IMRF	Total
2017	667,528	667,528	333,764	1,668,821
2018	529,992	529,992	264,996	1,324,980
2019/2020*	603,898	603,898	301,949	1,509,745
2021	553,079	553,079	276,539	1,382,697
2022	1,879,218	1,879,218	939,609	4,698,044
	<u>4,233,714</u>	<u>4,233,714</u>	<u>2,116,857</u>	<u>10,584,286</u>

2019's waterfall was delayed due to the uncertainty regarding impacts of the pandemic

Based on 2023 Year-End Estimates, pensions are expected to receive an additional \$2.4 million from Revenues over Expenditures in 2023

Simple Savings Calculation for General Fund

Additional Contributions	\$10,584,286
Remaining Years of Amortization	18
Annual Savings for General Fund	\$588,016

- As shown above, additional contributions as noted in the chart to the right have freed up almost \$600,000 per year in annual General Fund spending.
- Even so, current net pension liabilities (assets) as of 12/31/22:
 - IMRF - \$7.7 million
 - Police Pension - \$40.8 million
 - Fire Pension - \$20.5 million
 - **Total Pension Liabilities as of 12/31/22 - \$69 million, up from \$40 million in 2021**

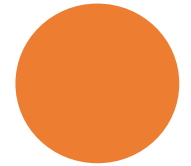
2016 Long Range Plan – Positive Results

Strategic Goals: Financial Strength & Competent Workforce

Public Safety Building Needs

- Draft architectural report puts estimated costs at \$40 - \$50 million for police and fire building needs
 - Public Safety Committee reviewed on 9/6/23 and recommended approval.
 - Will be on Village Board of Trustees agenda for discussion on 9/21/2023
- \$3.2 million in annual Debt Service for \$40 million in bonds for projects, assuming \$10 million in cash is built up through the contributions to the Building Reserve through the waterfall over the next several years:

Buildings	50,000,000	
Less: Cash on Hand	(10,000,000)	
Bond Issuane	40,000,000	
Rate	5%	
Term	20	Years
Annual Payment	(3,209,703)	



Funding Future Building Needs



Potential Timeline/Up-Front Costs – PRELIMINARY ESTIMATE

- Land Acquisition during 2024 – 2025 – Land acquisition costs are not currently in the budget as presented by the architects. These costs are estimated at \$2 million to \$3 million.
- Design costs during 2024 – 2025 – Approximately \$3.5 million
- Bids for projects in 2026 – This will depend on the financing options that are pursued by the Village, the timing of any potential referendum and the results of that referendum (next slide)
- Construction of projects during 2026 – 2027 – This will depend on the financing options that are pursued by the Village, the timing of any potential referendum and the results of that referendum

Funding Future Building Needs

Options to consider/Policy Discussion:

- **FY 2024 Budget:**
 - Take the statutory tax levy available for 2023 and:
 - Option 1: Flow to General Fund and add to surplus
 - Option 2: Set aside specifically for future building needs and debt service

Fall 2023 Decision



Funding Future Building Needs

Options to consider/Policy Discussion:

• Future Options for Debt Service:

- Property Tax Referendum – Do a referendum for property taxes that would raise an additional \$3.2 million per year
- Home Rule Referendum, and levy an additional 0.25% Sales Tax
 - An estimated 55% of Sales Tax revenue is funded by non-residents
- Legislative Options – Push State to Allow Non-Home Rule Sales Tax above 1% and use for purposes other than Infrastructure

FY 2025 & FY 2026 Decision



Standard & Poor's Credit Rating 2023

- Pending




Summary

- Timeline

- F&A Committee - Preliminary 2024 Budget and Tax Levy on 9/11/2023
- Village Board Budget Workshop 9/21/2023
- During October, communicate the upcoming public hearings for the Budget and Tax Levy
- Public Hearing on Tax Levy and 1st Reading of Tax Levy Ordinance on 11/2/2023
- Public Hearing on Budget and 1st Reading of Budget Ordinance and 2nd Reading of Tax Levy Ordinance on 11/16/2023
- 2nd Reading of Budget Ordinance on 12/07/2023
- During December, share information on the 1/1/24 water rate changes
- In April 2024, share information on the tax levy and the Village's overall share of the levy

- Questions





2024 Budget Water/Sewer Operation & Maintenance Fund

September 21, 2023 Budget Workshop

2020-2024
(5 Year)
W&S Approved
Rate Increases*

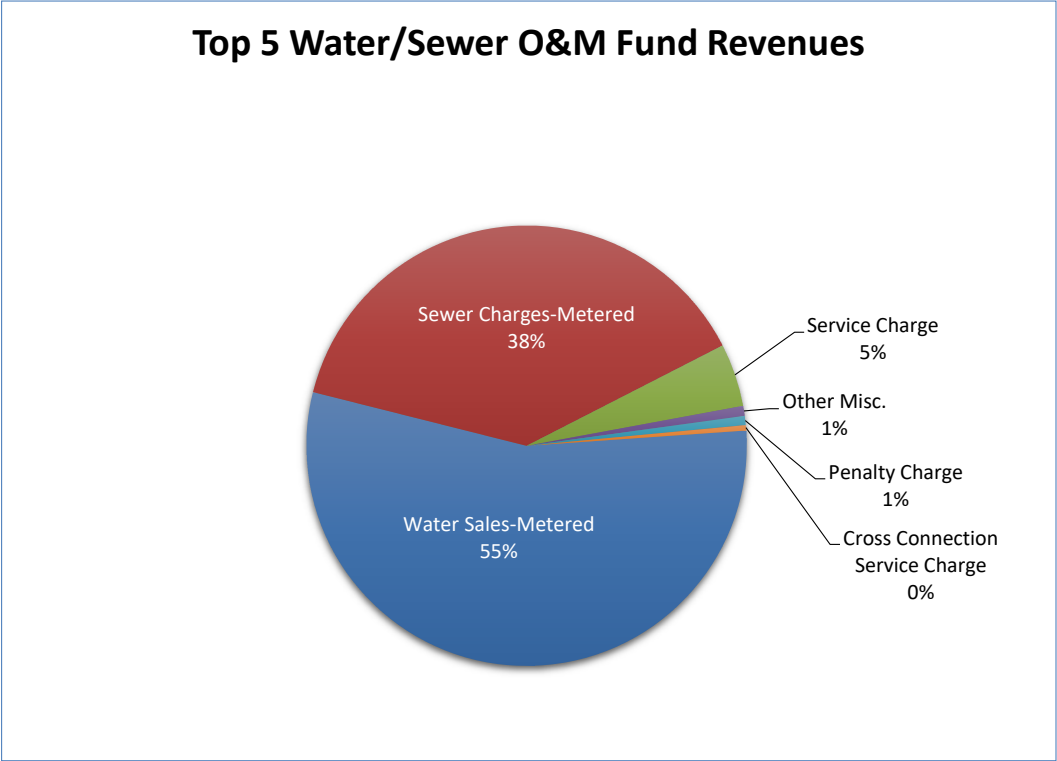
WATER & SEWER O&M		FYE 2020*	FYE 2021	FYE 2022	FYE 2023	FYE 2024
		Actual	Actual	Actual	YE Est	Budget
Projected Annual Water & Sewer Rate Increases						
	for Operations	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
	for Capital	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
	Amount/1000 gallons	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Variable Rates						
	Water O&M	\$8.04	\$8.24	\$8.44	\$8.64	\$8.84
	Sewer O&M	\$5.96	\$6.06	\$6.16	\$6.26	\$6.36
	Capital	\$1.30	\$1.40	\$1.50	\$1.60	\$1.70
	Total Water & Sewer Variable Rate	\$15.30	\$15.70	\$16.10	\$16.50	\$16.90
	Percentage Increase	2.68%	2.61%	2.55%	2.48%	2.42%
Fixed Rates						
	Service Charge (per bill)*	\$5.05	\$5.05	\$5.05	\$5.05	\$5.05
	Capital Charge (per bill)*	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00
	Total Water & Sewer Fixed Rate	\$10.05	\$10.30	\$10.55	\$10.80	\$11.05
	Percentage Increase		2.49%	2.43%	2.37%	2.31%
	Cross Connection Charge (per bill)*	\$4.50	\$4.65	\$4.80	\$4.95	\$5.10
	Percentage Increase		3.33%	3.23%	3.13%	3.03%
*FY 2020 monthly billing; prior to 2020 bi-monthly						

*Based on results from the 2019 Water & Sewer Rate Study. Staff will continue to review annually and recommend rate adjustments as needed.

2024 W&S O&M Revenue Assumptions

Description	2022 Actual Amount	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Revenues	\$ Over/Under 23 Budget	% Over/Under 23 Budget	Assumptions/Comments
Water Sales-Metered	\$9,126,052	\$9,333,341	\$9,634,170	\$9,857,180	\$523,839	5.61%	Revenue for FY24 is based upon selling 1.115 bgal of water @ \$8.84/kgal. Based on the Water Rate Study a \$0.20 per 1,000 gals increase on January 1, 2024 was approved.
Sewer Charges-Metered	\$6,321,265	\$6,540,198	\$6,952,660	\$7,063,720	\$523,522	8.00%	Revenue for FY24 is based upon billing 1.110 bgal of sewer @ \$6.36/kgal. Based on the Water Rate Study, \$0.10 per 1,000 gals increase on January 1, 2024 was approved.
Service Charge	\$783,792	\$785,620	\$785,620	\$785,620	\$0	0.00%	Based on the Water Rate Study, there will be no increase on January 1, 2024. Therefore, the monthly service charge per bill is \$5.05.
Penalty Charge	\$102,702	\$112,400	\$104,700	\$104,700	(\$7,700)	-6.85%	The FY24 budget is based on FY22 actual. Collections can vary from year to year if a few large bills are not paid on time.
Interest on Investments	\$36,687	\$25,000	\$92,000	\$92,000	\$67,000	268.00%	Since the start of 2022 and, as of August 2023, the Fed has hiked interest rates 10 times to combat rising inflation.

The Top 5 revenue sources make up 99.09% of the total revenues in W&S O&M Fund

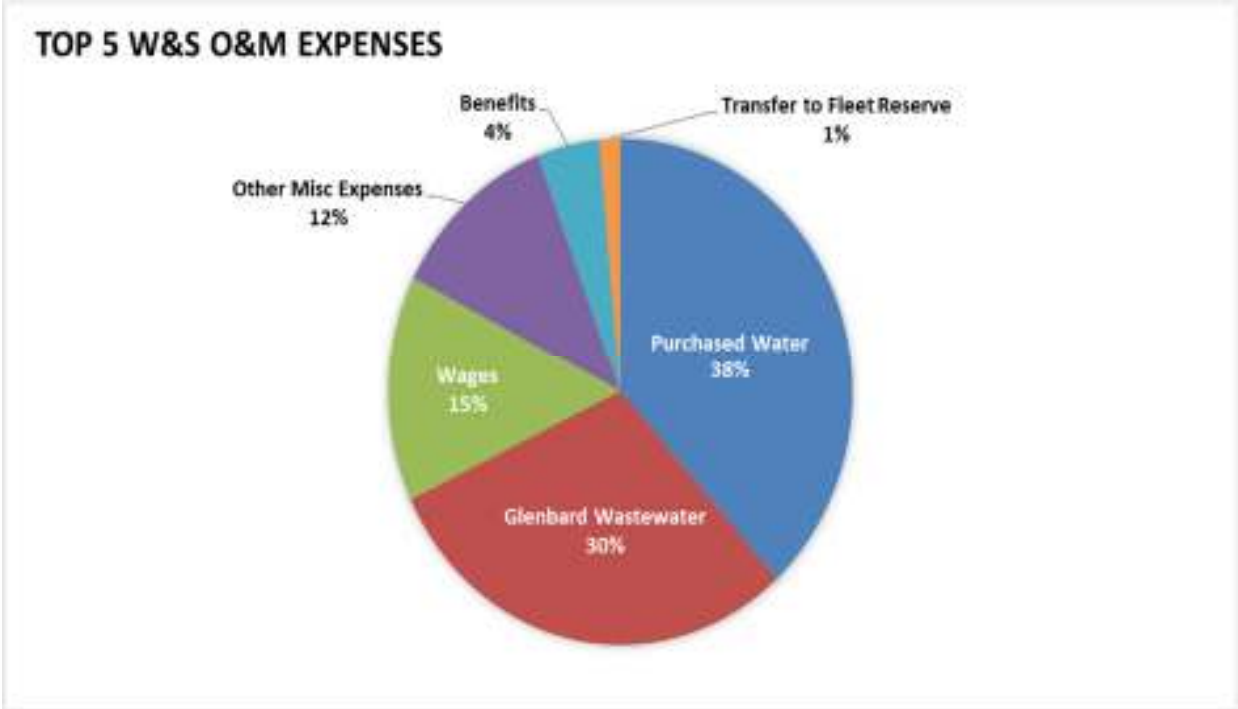


Description	2022 Actual Amount	2023 Amended Budget	2023 Estimated Amount	2024 Budgeted Revenues	\$ Over/Under 23 Budget	% Over/Under 23 Budget
Top 5 W/S O&M Revenues	\$16,370,499	\$16,796,559	\$17,569,150	\$17,903,220	\$1,106,661	6.59%
Total W/S O&M Revenue	\$16,700,639	\$16,963,449	\$17,734,210	\$18,068,030	\$1,104,581	6.51%
Top 5 vs. Total W/S O&M Revenue	98.02%	99.02%	99.07%	99.09%	N/A	N/A

2024 W&S O&M Expense Assumptions

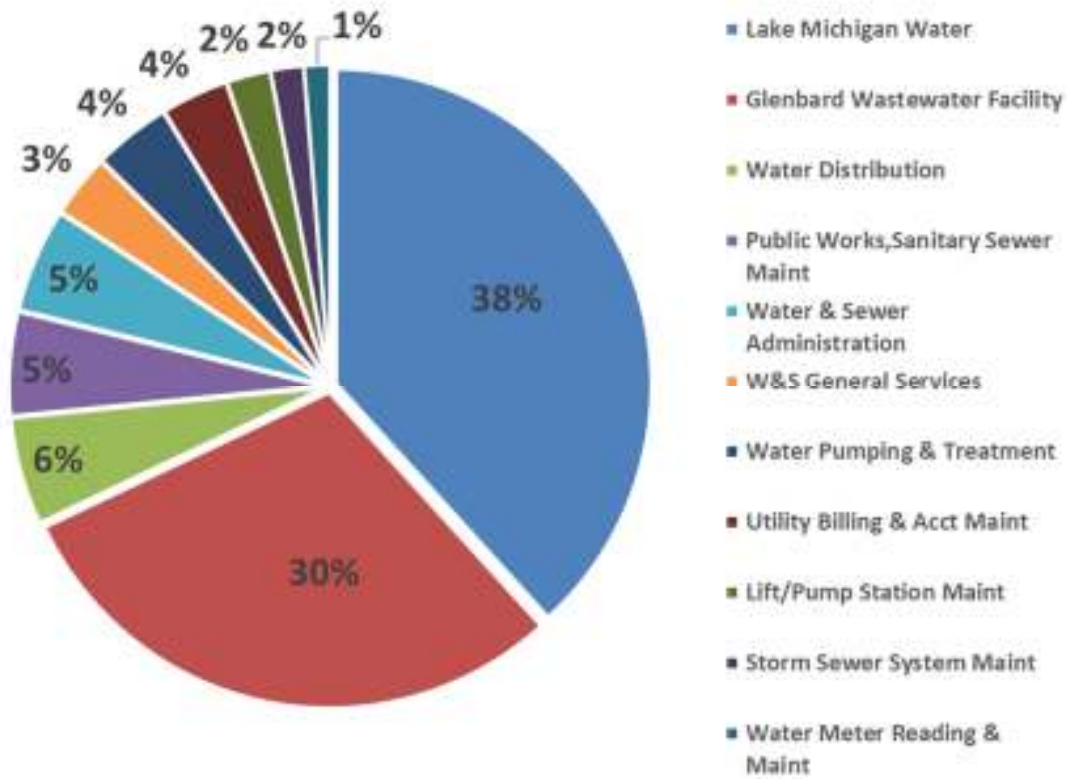
Description	2022 Actual Amount	2023 Amended Budget	2023 Estimated Amount	2024 Proposed Budget	\$ Over/Under 23 Budget	% Over/Under 23 Budget	Assumptions/Comments
Purchased Water	\$6,647,299	\$6,955,388	\$6,688,835	\$7,067,700	\$112,312	1.61%	Based on FY22 Actual expense. DWC increased their rate \$0.21 (4%) in May 2022 and May 2023. We anticipate another increase in May 2024.
Glenbard Wastewater	\$4,770,093	\$5,400,000	\$5,100,000	\$5,250,000	(\$150,000)	-2.78%	Decrease is based on FY22 Actual Expense, projected flow estimates, and the 2023 GWA Budget.
Wages	\$2,574,800	\$2,641,400	\$2,727,340	\$2,739,000	\$97,600	3.70%	Wages include salaries and estimated increases. Increases will be in accordance with the AFSCME contract, currently in negotiations.
Benefits	\$849,529	\$789,120	\$794,210	\$807,320	\$18,200	2.31%	The IMRF rate decreased from 6.68% in 2023 to 6.53% in 2024.
Transfer to Fleet Reserve	\$216,260	\$264,080	\$264,080	\$424,890	\$160,810	60.89%	Projection is based on anticipated vehicle purchases.

The Top 5 expenses make up 88.25% of the total expenses in the W&S O&M fund



Description	2022 Actual Amount	2023 Amended Budget	2023 Estimated Amount	2024 Proposed Budget	\$ Over/Under 23 Budget	% Over/Under 23 Budget
Top 5 Expenses	\$15,057,980	\$16,049,988	\$15,574,465	\$16,288,910	\$238,922	1.49%
Total W&S Maint Fund	\$16,853,752	\$18,180,055	\$17,543,560	\$18,457,275	\$277,220	1.52%
Top 5 vs. Total W/S O&M Exp	89.34%	88.28%	88.78%	88.25%	N/A	N/A

W&S O&M Fund Proposed 2024 Budget by Cost Center



66.74% of the FY 2024 proposed expenses in the W&S Fund are payments to DuPage Water Commission and Glenbard Wastewater Facility for the purchase and delivery of Chicago water and the processing of wastewater.

2024 W&S
Revenue
Allocation per
1,000/gals

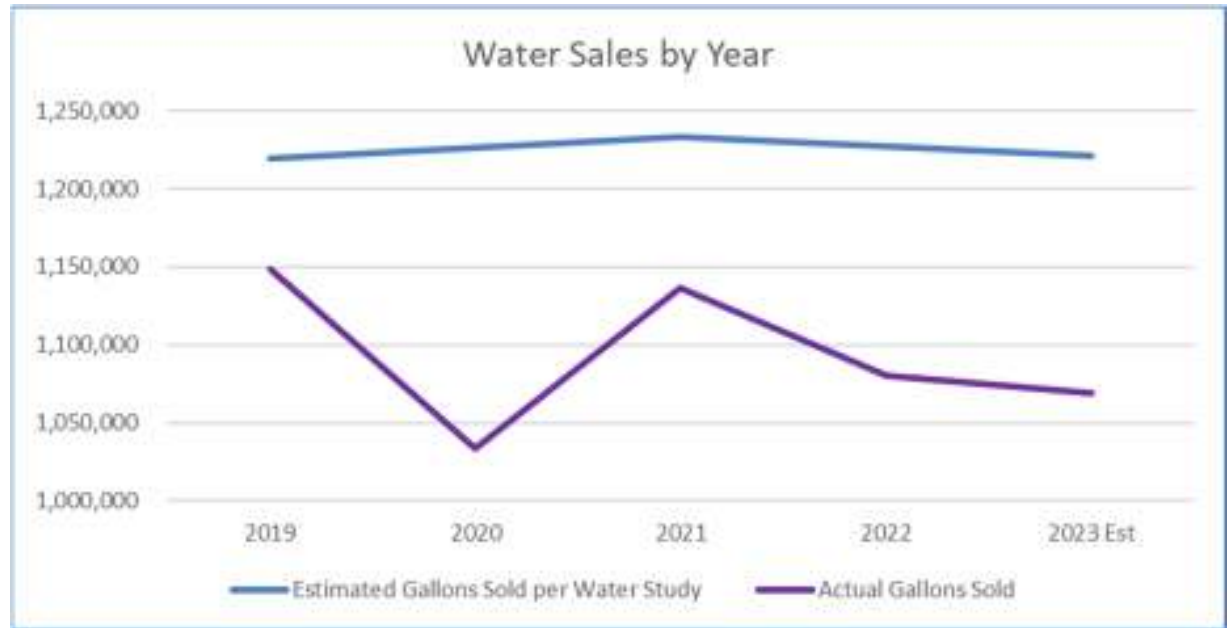
Where Does My Money Go?



Distribution of the Water & Sewer Revenue \$16.90/per 1,000 gals	
Lake Michigan Water	\$ 6.47
Glenbard Wastewater Facility	\$ 4.81
Village of Lombard	\$ 5.62
Total	\$ 16.90

- The FY 2024 Water & Sewer Variable Rate is \$16.90 per 1,000 gallons
- The Village of Lombard would receive \$5.62 per 1,000 gallons for operating and maintenance activities and capital improvements
- Note: This does not include the monthly fixed capital fee and service charge per bill.

Water Sales compared to water rate study from 2019 (1,000/gals)



- Water sales have fallen significantly short of the estimates used for the Water Rate Study, on which rates for 2020 – 2024 were developed
- A water study will again be conducted to determine future rates. The study will need to account for decreasing water sales as we continue to fall short into 2023 and 2024.
- Due to the variance, the rates for 2024 may need to be increased more than originally planned when they were adopted as part of the water rate study.