

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda

  X   Resolution or Ordinance (Blue)   X   *Waiver of First Requested*  
       Recommendations of Boards, Commissions & Committees (Green)  
       Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: February 26, 2025 (COW)(B of T) March 6, 2025

TITLE: Recommendation of Proposed \$1 Million Transfer from the Hotel/Motel Tax Fund to the Building Fund and An Ordinance Amending the Village's Fiscal Year 2025 Budget to Account for the \$1 Million Transfer of Funds.

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The Finance and Administration Committee reviewed the attached memo at their meeting on February 24, 2025. The proposed change is to transfer \$1 million from the Hotel/Motel Tax Fund to the Building Fund. The proposed change prioritizes maximizing funding of the Building Reserve Fund for constructing new Public Safety Buildings and reducing the amount of debt issuance and future debt service.

Also, attached is an Ordinance amending the Village's Fiscal Year 2025 Budget in order to account for the \$1 million transfer of funds from the Hotel Motel Fund to the Building Reserve Fund.

The Finance and Administration Committee voted unanimously to recommend that the Village Board of Trustees approve the proposed \$1 million transfer from the Hotel/Motel Fund to the Building Fund as presented. Approval of the Ordinance to amend the FY 2025 Budget is also required to make this transfer.

**Approval of the Ordinance to amend the FY 2025 Budget requires a two-thirds (2/3rds) vote of the Corporate Authorities (5 of 7).**

Review (as necessary):

Village Attorney X	_____	Date	_____
Finance Director X		Date	<u>2/26/25</u>
Village Manager X	_____	Date	_____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



**To:** Finance & Administration Committee

**From:** Tim Sexton, Finance Director

**Date:** February 12, 2025

**Subject:** Proposal to Transfer \$1 Million from the Hotel/Motel Fund to the Building Fund Reserve

**Overview:**

Staff is seeking a recommendation from the Finance and Administration Committee on the proposal to transfer \$1 million from the Hotel/Motel Fund to the Building Fund Reserve in order to maximize funding for the construction of new public safety buildings while reducing reliance on debt issuance.

**Background:**

During the 2022 budget planning process, staff identified potential future year deficits in the Hotel/Motel Fund due to the slow recovery in hotel occupancy following the COVID-19 pandemic. Additionally, staff sought policy direction regarding the allocation of \$1 million from the sale of 101 S. Main Street and \$3 million in ARPA funds (received in 2021). The Finance and Administration Committee recommended, and the Village Board approved, a \$1 million transfer to the Hotel/Motel Fund to provide financial stability.

Since then, the Hotel/Motel Fund has stabilized, with industry projections indicating modest growth in 2025. Hotel/Motel Fund revenues in 2024 increased 4.0% over 2023 and exceeded budget expectations by 5.8%. As of fiscal year-end 2024, the fund maintains a stable reserve balance of \$2,598,437.

**Recommendation:**

Staff requests that the Finance & Administration Committee review and provide a recommendation to the Village Board regarding the proposed \$1 million transfer from the Hotel/Motel Fund to the Building Fund Reserve for the construction of new public safety buildings.

ORDINANCE \_\_\_\_\_

AN ORDINANCE AMENDING BUDGET ORDINANCE

WHEREAS, the Corporate Authorities of the Village of Lombard have passed budget adoption Ordinance #8303 on November 7, 2024 in the amount of \$131,875,574; and

WHEREAS, Section 8-2-9.6 of the Budget Act allows for the amendment of the annual budget; and

WHEREAS, the Corporate Authorities find that an amendment to the annual budget ordinance is necessary at this time to more accurately reflect the experience of the FY 2025 fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS, as follows:

Section 1: That in order to more accurately reflect the experience of the current fiscal year, certain budget amendments are necessary from time to time as per the attached.

Section 2: That these amendments should reflect the actual expenses for the fiscal year and will increase the total amount of the budget by \$1,000,000.

Section 3: That the following amendments be made to the various departments and divisions line item expenditures: (See attached)

Section 4: Additional funds are available to effectuate this revision.

Section 5: That this ordinance shall be in full force and effect after the passage and publication pursuant to the laws of the State of Illinois and the Village of Lombard.

Passed on first reading this \_\_\_\_ day of \_\_\_\_\_, 2025.

First reading waived by action of the Board of Trustees this \_\_\_\_ day of \_\_\_\_\_, 2025.

Passed on second reading this \_\_\_\_ day of \_\_\_\_\_, 2025.

ORDINANCE \_\_\_\_\_  
AN ORDINANCE AMENDING BUDGET ORDINANCE  
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Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Keith T. Giagnorio  
Village President

ATTEST:

\_\_\_\_\_  
Elizabeth Brezinski  
Village Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jason Guisinger  
Village Attorney

Account Number	Original 2025 Budget	Proposed Increase	Final Budget
<b>Hotel/Motel Fund</b>			
240.130.540.81094	\$ -	\$ 1,000,000	\$ 1,000,000
<b>Total 2025 Budget Amendment Increase</b>		<b>\$ 1,000,000</b>	