

LEGAL NOTICE/PUBLIC NOTICE

VILLAGE OF LOMBARD

PROPOSED FY 2025 BUDGET

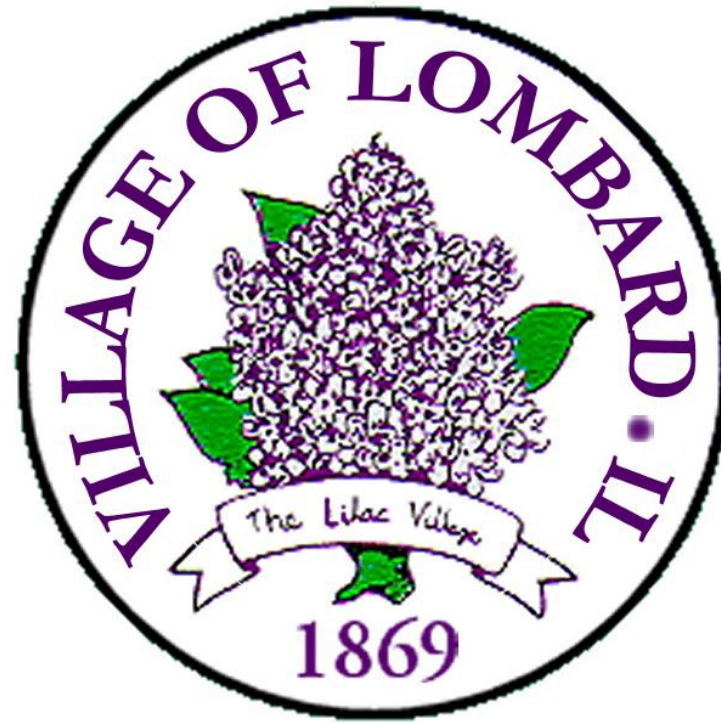
PUBLIC HEARING

The Village of Lombard will hold a public hearing at 6:00 p.m. on Thursday, October 17, 2024, in the Board Room of the Village Hall, 255 E. Wilson Avenue, Lombard, Illinois for the purpose of hearing written and oral comments from the public concerning the proposed annual budget for the fiscal year beginning January 1, 2025, and ending December 31, 2025.

A copy of the proposed FY 2025 budget has been available since September 18, 2024 at the Village Hall, 255 E. Wilson Avenue, Lombard, Illinois during normal business hours and on the Village of Lombard's website www.villageoflombard.org, and will remain available for public inspection up to the time of the public hearing.

All interested persons are invited to attend the meeting and may present either written or oral comments. Written comments should be addressed to Timothy Sexton, Director of Finance, Village of Lombard, 255 E. Wilson Avenue, Lombard, Illinois

ELIZABETH BREZINSKI
Village Clerk
Village of Lombard



2025 BUDGET PUBLIC HEARING OCTOBER 17, 2024

TRUSTEE ANDREW HONIG, FINANCE & ADMINISTRATION COMMITTEE CHAIR

SCOTT NIEHAUS, VILLAGE MANAGER

TIM SEXTON, DIRECTOR OF FINANCE

AGENDA

- BUDGET OBJECTIVES
- 2025 BUDGET OVERVIEW
- GENERAL FUND (UNRESTRICTED & UNCOMMITTED) OPERATING BUDGET
- TOP 10 GENERAL FUND 2025 REVENUES & TOP 5 EXPENSES
- HOTEL/MOTEL TAX FUND
- WATER & SEWER (W&S) FUND OPERATING BUDGET
- CLOSING COMMENTS

BUDGET OBJECTIVES

Addressing the Top 5 priorities in the Village's Strategic Plan are essential in order to provide for the daily operations and services of the Village, as expressed in the 2025 budget.

- Financial Stability
- Economic Development
- Communication & Community Image
- Operational Excellence
- Well Maintained Infrastructure

In addition, the Village continues to allocate any revenues over expenditures to the two main priorities established by the Village Board with the Long-Range Financial Plan that was adopted in 2016 – funding for future building needs and paying down state-mandated pension liabilities.

2025 BUDGET OVERVIEW

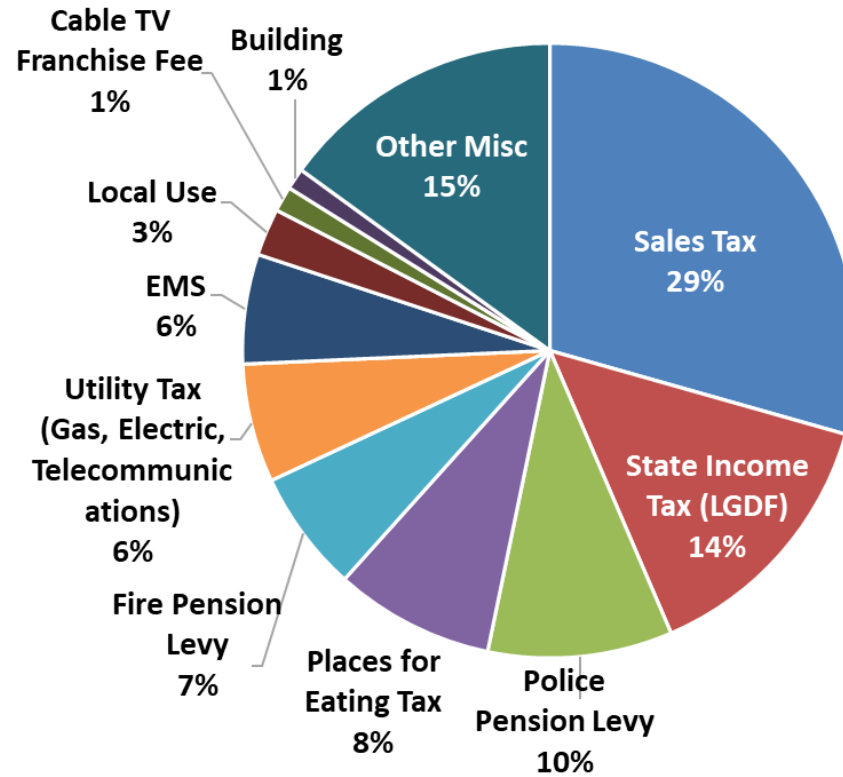
- The Village adopts a budget each fiscal year which runs from January 1st to December 31st.
- As proposed, the 2025 Budget projects Village revenues in all funds to total \$130,191,540 with overall expenditures to total \$131,875,574.
 - The overall proposed 2025 Budget provides funding for day-to-day operations and maintenance, grants, insurance, pensions, legal obligations, fleet, water and sewer operations, facilities and infrastructure (capital improvement program budget).
 - The portion of the Village of Lombard's budget for day-to-day operating and maintenance costs is called the General Fund Budget.
- 2025 Budget Planning Process
 - Public Works and Environmental Concerns Committee meeting to review the 2025-2034 Capital Improvement Program
 - Finance and Administration Committee meeting to discuss the Fiscal Year 2025 budget and provide recommendation to the Board of Trustees
 - Village Board of Trustees held budget workshop on September 5, 2024
 - Proposed Budget was published on September 18, 2024
 - 2024 Tax Levy Ordinance on 1st Reading October 3, 2024 and 2nd Reading October 17, 2024
 - 2025 Budget and 2025-2034 CIP Ordinances on 1st Reading October 17, 2024 and 2nd Reading November 7, 2024
- Both the Proposed 2025 Budget and 2025-2034 Capital Improvement Plan are available at www.villageoflombard.org/budget.

GENERAL FUND (UNRESTRICTED & UNCOMMITTED) OPERATING BUDGET

The General Fund dollars are used to support core services that include public safety provided by Police and Fire Departments; building and code enforcement from Community Development; responsible administrative oversight; and roads, forestry and infrastructure maintenance from Public Works.

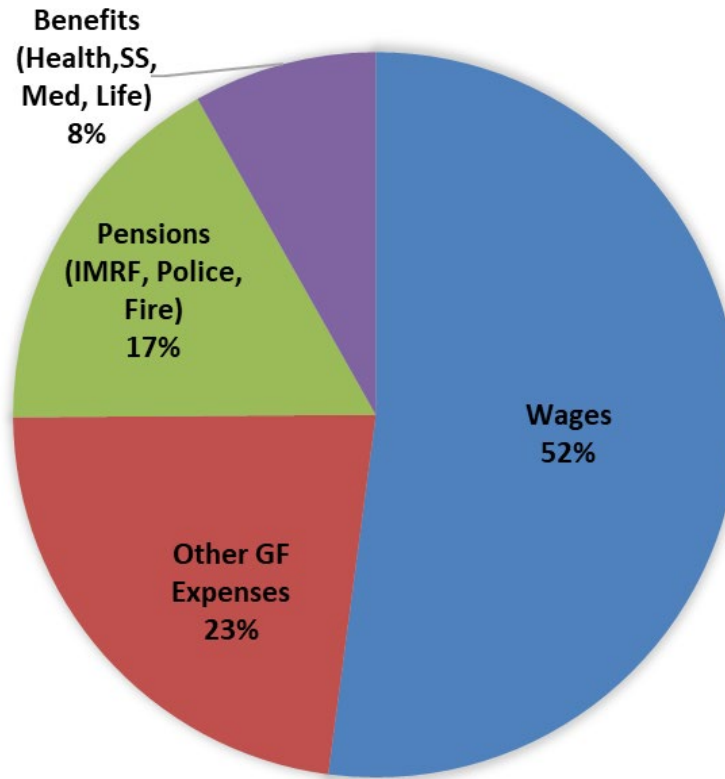
- Revenues of \$46,535,690 are projected to increase **\$1,704,930 (3.80%)** compared to the 2024 approved budget of \$44,830,760.
- Expenses of \$46,464,310 are projected to increase **\$1,755,760 (3.93%)** compared to the 2024 approved budget of \$44,708,550.
- **The 2025 General Fund budget is balanced (\$71,380 revenue over expenditures).**
- The Village remains **cautious** about the future due to retail trends, the state of the economy, the potential exit of large sales tax producers, and large state-mandated pension obligations.
 - Sales Tax, 29% of General Fund revenue, has not kept pace with inflation.
 - Total Pension Liabilities as of FYE 2023 were \$66.0 million, down from \$69 million the previous year, due to an increase in 2023 investment earnings.

TOP 10 GENERAL FUND 2025 REVENUES



- The Top 10 General Fund revenues account for 85.0% of all General Fund revenue sources.
- Sales Tax and State Income Tax combined make up 43% of all General Fund revenues.

TOP 5 GENERAL FUND 2025 EXPENSES



- Combined wages and benefits (pensions, health and life insurance, etc.) make up 77% of all General Fund operating expenses.

2024 Tax Levy and Public Safety Buildings

The 2024 Property Tax Levy is \$11.4 million, and 2025 budgeted General Fund Revenue is \$46.5 million, so property tax revenue is equivalent to approximately 24.5% of total General Fund revenue.

The Village Board received and accepted a report regarding the future public safety building needs on 9/21/23. This initiated the discussion on the future building needs for public safety, and just as importantly, identify a funding source to pay for annual debt payments to be able to fund the building projects.

- The Board provided consensus direction at the 2025 Budget Workshop on 9/5/2024 for staff to prepare the 2024 tax levy:
 - To include the statutorily permissible increase of \$760,830
 - To set the increase aside both the 2023 and 2024 levy increases (estimated \$1M), specifically for public safety building needs.
- 2025 Proposed Budget reflects this direction by:
 - Transferring the levy increase amount out of the General Fund
 - Transferring the levy increase amount to the Building Fund

2024 Tax Levy Increase Transfer to Buildings

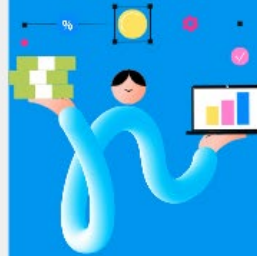
01

In May 2025, DuPage County will notify the Village of the final 2024 Property Tax Levy amount to be collected in 2025



02

Transfer In:
The amount designated for the Corporate Levy will be deposited into the General Fund



03

Staff will then calculate the actual increase compared to the final 2025 levy



04

Transfer Out:
The increase will be transferred from the General Fund to the Building Reserve Fund



HOTEL/MOTEL TAX FUND

- While 2023 was still slightly below pre-pandemic levels, Hotel/Motel (H/M) Tax revenue for 2024 through July 2024 indicates a strong 2024.
- The FY2025 H/M Fund expenses total \$2,079,470 compared to projected revenues of \$2,059,150.
- The projected FYE 2025 H/M Fund balance is \$2,207,723.

WATER & SEWER (W&S) FUND OPERATING BUDGET

- Revenues of \$19,532,750 are projected to increase \$1,464,720 (8.11%) compared to the 2024 approved budget of \$18,068,030.
- Expenses of \$19,063,010 are projected to increase \$605,735 (3.28%) compared to the 2024 approved budget of \$18,457,275.
- The Village Board will vote tonight on the proposed a 5-Year (2025-2029) Water & Sewer rate increase based on results from the 2024 Water & Sewer Rate Study.
 - Effective January 1, 2025, The Water and Sewer Rate will increase \$0.64 per 1,000 gallons of water used, to \$17.54.
 - Overall, for the average residential customer who uses 4,000 gal/month, the increase will cost an extra \$3.13 per month. Approximately 73% of Lombard water customers use 4,000 gallons per month.
- 68% or approx. 2/3 of the 2025 expenses in the W&S Fund are payments to DuPage Water Commission and the Glenbard Wastewater Facility for the purchase and delivery of Chicago water and the processing of wastewater. The other 1/3 is for the Village to operate the systems.

WATERSMART PORTAL




Village of Lombard WaterSmart Portal User Stat


- 65.7% of accounts are enrolled in WaterSmart
- Over 80,000 messages sent to customers – Bill reminders and Late payment reminders
- Approximately 2,000 leak alerts annually
- 3,300 customers enrolled in AutoPay
- 2,200 customers enrolled in Paperless Bills


WaterSmart Portal Features

- View water usage on an hourly basis
- Leak detection
- Bill Viewing
- Paperless Bill Enrollment
- Bill forecasting
- Unplanned use notifications
- Online payment processing
- Online form submittal (open and close account)
- AutoPay Enrollment (Coming Soon)

I want to...

 Pay my bill

 Start Water Billing Account

 Close Water Billing Account

What you'll get


Take part
Join the thousands of households and businesses using this program to stay smart about their water use.


Ensure an accurate analysis
Are you a homeowner or renter? Use this website to update your number of household occupants.


Break down your use
See where and when you are using the most water.

CLOSING COMMENTS

- The Village will need to remain watchful and flexible to respond to circumstances beyond the Village's control, such as a potential downturn in the general economy and impacts from the State of Illinois, as it works to address its financial issues.
- The Village will continue its work in identifying
 - Potential revenue enhancements
 - Economic development
 - Technology options
 - Necessary building improvements
 - Enhancements for public safety operations and communications
- As the Village moves forward, we will continue to balance services with available resources.
- Thank you to the Board of Trustees, Finance and Administration Committee, and Public Works Committee for their support and direction, as well as the entire Village staff for their efforts and contributions.

SCHEDULE OF PROPOSED BUDGET & TAX LEVY PROCESS

- ✓ August 26, 2024 - Finance & Administration Committee reviewed and recommended approval of Proposed 2024 Tax Levy
- ✓ October 3, 2024 – Public Hearing/1st Reading on Proposed 2024 Tax Levy
- ❑ October 17, 2024
 - ❑ 2nd Reading on Proposed 2024 Tax Levy
 - ❑ Public Hearing/1st Reading on Proposed 2025 Budget, 2025 Salary Ordinance, and 2025-2029 Water/Sewer Rate Ordinances
- ❑ November 7, 2024 – 2nd Reading on Proposed 2025 Budget, 2025 Salary Ordinance, and 2025-2029 Water/Sewer Rate Ordinances
- ❑ November 2024 - Village of Lombard files the Board approved 2024 Tax Levy and 2025 Budget ordinances with DuPage County
- ❑ DuPage County mails tax bills on or about April 30th of each year

Recommendation

The Finance & Administration Committee, at their meeting on September 5, 2024, voted unanimously to recommend the Village Board of Trustees approve the Proposed 2025 Budget.

Ordinance on First Reading is on Separate Action:

Village of Lombard Budget Ordinance for Fiscal Year 2025

(January 1, 2025 through December 31, 2025)