

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: April 23, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Amy Zukowski Director of Finance

Topic: Fiscal Year 2024-2025 Budget Ordinance Approval

PURPOSE

The Village's most important planning document that is prepared, discussed, and implemented annually is the municipal budget. The municipal budget details all of the expenses and revenues that the Village of Homewood anticipates in order to provide quality services for its citizens for a full fiscal year – in this case, May 1, 2024 through April 30, 2025.

A public notice for the Budget Hearing held at 7:00 p.m. on Tuesday, April 23, 2024 was published in the Southtown newspaper on Friday, April 12, 2024. Following a Public Hearing for the Budget, the Board of Trustees is required to approve an annual budget ordinance that will be filed with Cook County.

PROCESS

The draft Fiscal Year 2024-2025 budget was presented to the Board of Trustees at the March 26, 2024 and April 9, 2024 meetings. As expected, there were some suggested and necessary updates and changes made to the draft budget.

General Fund

The draft general operating fund budget was projected to have a surplus of \$408,906. After further review and discussion, the amendments listed below were included in the final budget. The amendments below positively impacts the budget, creating an updated projected surplus of \$448,906.

- Parking Fee revenue from the Harwood and Park Avenue lots was increased by \$10,000 to better reflect the revenue that the parking lots are generating.
- Business Incentive line item was reduced by \$50,000 and the Places for Eating Tax Rebate line item was increased by \$20,000 resulting in a net expense reduction of \$30,000.
- The Village will receive a \$64,000 Police Recruitment and Retention grant from the State. The State Grant revenue line item increases to reflect the \$64,000 and the Fire and Police Commission expense line item was also amended to reflect this \$64,000 expenditure.

VILLAGE OF HOMEWOOD



Uncertainty still exists as to whether Governor Pritzker’s plans to remove the State’s 1% grocery sales tax will be approved as part of the State’s budget. The final budget does not take into consideration the potential loss of the grocery sales tax (approximately \$650,000). The Village is working closely with other municipalities and Councils of Governments (COGs), such as the South Suburban Mayors and Managers Association, to express our concern with the loss of the 1% grocery sales tax without a replacement from State. As a final decision is received and if necessary, staff will bring to the Board of Trustees several recommended spending adjustments during the fiscal year.

Water and Sewer Fund

After further review of the draft Water and Sewer Fund budget, an additional \$10,500 was added to the Information Technology line item and \$50,000 was funded for a potential new program (Residential Sanitary Sewer Grant) in the final budget.

Capital Projects

Staff presented a Five-Year Capital Improvement Plan (CIP) to the Board of Trustees on April 9, 2024. The capital improvement plan lays out the financing and timing for capital improvement projects over several years. This can help bridge the gap between the planning process and the budget process and help local government leaders plan for the future based on specific goals and resources.

Since April 9, 2024, the plan has been further refined. The first year of the Five-Year CIP will be the capital budget for Fiscal Year 2024-2025. Staff expects to complete nearly \$4.5M of capital projects between May 1, 2024 and April 30, 2025.

OUTCOME

Overall, the final Fiscal Year 2024-2025 Budget demonstrates the Village of Homewood’s continued healthy financial position.

FINANCIAL IMPACT

- **Funding Source:**
 - General Fund, Water & Sewer Funds, Special Revenue Funds and Debt Service Fund are part of the total operating budget
 - Capital Projects includes water & sewer capital
- **Budgeted Amount:** Operating Revenues \$38,164,637
Operating Expenses \$52,492,582
Capital Expenses \$ 4,497,252

LEGAL REVIEW

Not Required

VILLAGE OF HOMEWOOD



RECOMMENDED BOARD ACTION

Pass an ordinance adopting the annual budget for the fiscal year beginning May 1, 2024 and ending April 30, 2025.

ATTACHMENT(S)

- Fiscal Year 2024-2025 Budget Ordinance
- Budget worksheets with Estimated 2023-2024 and Projected 2024-2025 revenues and expenses