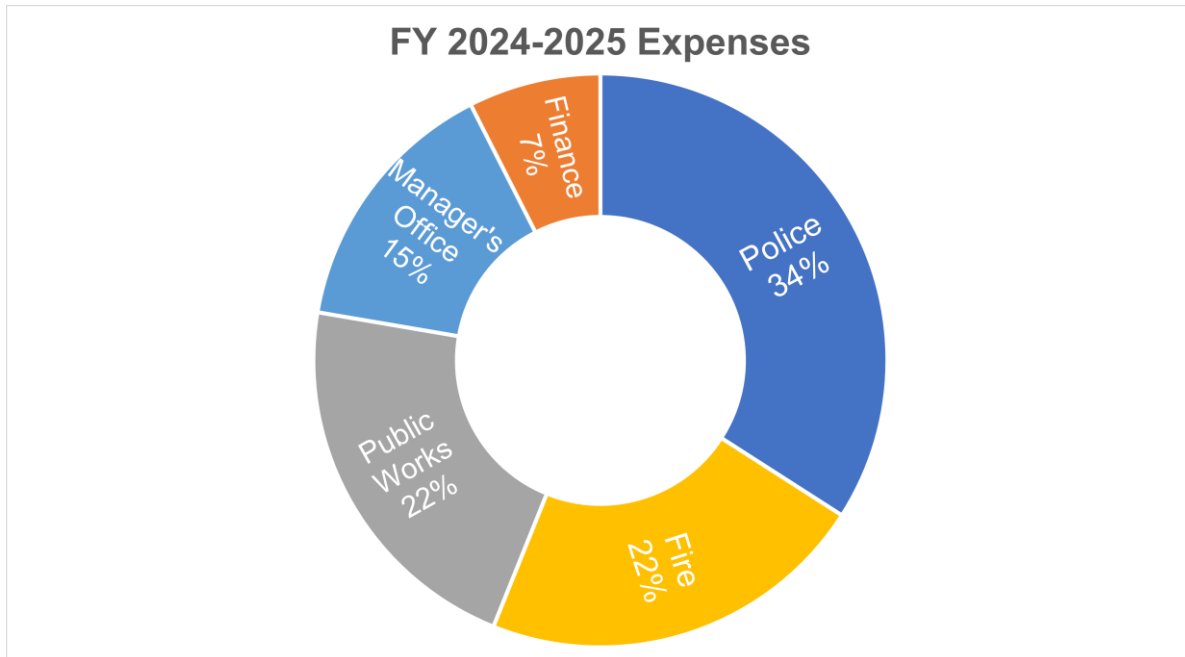


General Fund Expenses

Public safety and public works dominate the expense responsibilities of most local governments. *The total General Fund expenses budget for fiscal year 2024-2025 is \$26.8M.*



The two top expense lines items in the General Fund are salaries and group health insurance.

- Overall salaries were budgeted assuming a 3% cost of living adjustment (COLA) increase as previously agreed to in four (4) collective bargaining agreements.

Village Administration & Finance

- Legislative Program – overall increase of 20% over prior year budget
 - Training – increased by \$6,300 to allow for Board Member attendance at the annual IML conference
 - Fire & Police Commission – increased by \$25,000
 - Additional funding is being made available to assist with patrol officer recruiting efforts

Police Testing and Recruitment	30,000
Psychological Tests	6,000
Firefighter Test	5,000
Total Fire & Police Commission	41,000

- Legal Counsel – overall increase of 18% over prior year budget
 - Labor Relations – increased by \$50,000 to account for current and ongoing labor attorney needs outside of the monthly retainer
- Events – overall decrease of 1% over prior year budget
 - Budgeted dollars from the current fiscal years Business Ticket Reimbursement line item (St. Patrick's Day and Cinco de Mayo) are being reallocated to two new events.
 - Martin Square Block Party- \$4,500 budget (once per month June-August)
 - HF Lights Tour- \$5,000 budget (partnership with Flossmoor for trolley rides)

- Economic & Community Development – overall increase of 55% over prior year budget
 - Business Incentive Program – increased by \$435,000 to budget for General Fund support of The Hartford incentive and several other potential and known incentives.

The Hartford Incentive	200,000
18155 Dixie Highway *	85,000
Joe Peters (Hibbing Building) *	50,000
2018 Ridge (Annex) *	50,000
Twisted Q *	50,000
Non-TIF Incentives	<u>25,000</u>
Total Business Incentive Program	460,000

* Business or Property owner has not yet applied for an incentive and no agreement has been brought to the Board for approval.

- Places for Eating Tax Rebate – increased by \$43,000 to budget for Bergstein's Deli incentive agreement and 18155 Dixie expected rebate agreement

Bergstein's Deli	20,000	3 years – capped at \$60k
18155 Dixie Highway *	20,000	
GMX (Panera Bread)	18,000	5 years remaining – capped at \$210k
AV Coffee (Homeslice)	<u>5,000</u>	capped at \$35k
Total PFET Rebate	63,000	

- Finance – overall increase of 4% over prior year budget
 - Risk Management Insurance – annual premium for Village's general liability and worker's compensation insurance increasing by 5%. This amount is collected through the Village's tax levy.

Public Works – overall increase of 2% over prior year budget

- Street Light Maintenance (Program 321) – increased budget \$20,000 based on prior years' actuals and increase in material costs
- Pavement Marking (Program 327) – increased budget \$50,000 due to increased costs and addition of Metra parking lots
- Sidewalks (Program 327) – increased three sidewalk line items \$50,000 total due to increased concrete costs
- Contracting/Consulting (Program 343) – increased budget \$19,000 to contract out mowing services due to difficulty hiring summer staff
- Vehicle Acquisition & Replacement (Program 812) – increased budget by \$36,000 due to planning to lease two (2) large Public Works vehicles - Aerial Lift Truck and Plow Truck

Fire Department – overall increase of 1% over prior year budget

- Full Time Salary and Group Insurance (Program 413) – increased budget for three (3) additional firefighters to increase staffing on each of the three (3) shifts
 - Brings staffing to seven (7) per shift which was the staffing level when the Village had a part time firefighter/paramedic program several years ago
- Overtime (Program 413) – reduced overtime budget by \$200k due to hiring of three (3) additional firefighters
- Building Division (Program 415) – increased Contractual Services and Plan Reviews based on prior years' actuals

- Plan review expense costs are reimbursed to the Village through the building permit process

Police Department – overall increase of 4% over prior year budget

- Reallocations of staffing between Programs 421 and 422
- 5 vacant patrol officers positions are fully budgeted
- Training (Program 424) – increased budget by \$20,000 to account for additional required State mandated training

WATER & SEWER FUND

The Water and Sewer Fund is an enterprise fund that operates in a manner similar to a private business. The intent is that the cost of providing water and sewer services to the community will be recovered primarily through user charges (i.e. water bills). The rates should be sufficient to cover the ongoing costs of operations, maintenance, administration, and future capital needs within the Water and Sewer Fund. Village tax dollars are not used to pay any of the costs associated with water and sewer services.

The Village has a number of significant water and sewer capital projects that will need to be funded in the near future, such as central water tower replacement and lead line replacement project. The Village will need to consider a water rate study in order to ensure that the Water and Sewer Enterprise Fund is able to produce sufficient funding and continue to sustain itself even with the upcoming and critical capital needs. These needs will be discussed further in our 5-Year Capital Improvement Plan.

TAX INCREMENT FINANCING (TIF) FUNDS

The Village uses traditional TIF districts as a tool to assist in promoting economic development. TIF districts are used to promote economic development in blighted or underdeveloped areas. In a traditional TIF district, the property tax base is frozen for a period of up to 23 years, and any additional property tax revenue generated by new development is directed into the TIF fund.

The Village has six (6) TIF districts. Northeast, Downtown TOD, Dixie/Miller Court, Kedzie, East CBD, and Southgate. The Southgate TIF expired in 2023 and will be terminated at the end of 2024 after the final year of tax collections are received.

DEBT SERVICE FUNDS

Debt Service Funds predominantly fund general capital improvement projects. Being a non-home rule community limits the Village to issuing non-referendum general obligation debt once every three (3) years. The amount is limited to 0.5% of Equalized Assessed Valuation (EAV). This equates to approximately a \$2,000,000 bond issue.

The Village currently has no outstanding debt. The final principal and interest payment on the 2020 General Obligation Bond was paid in 2023. The Village will be looking to issue another General Obligation Bond in 2024 as it is a primary funding source for the Village's capital projects.