

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: April 12, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: DRAFT FY 2022-2023 Budget Presentation

PURPOSE

The budget gives direction to the Village of Homewood for what we plan to accomplish in the coming year and the services that we provide as a municipality. Through budget discussions, the services that we are able to provide are balanced with the revenues that we have to pay for that service level. The draft budget is being presented to the Board for discussion before the Public Hearing that will take place on April 26, 2022.

PROCESS

The Finance Department has decades of history on revenues that we use for trend analysis. Using current and historical trend data, the Finance Department presents a reasonable revenue budget that reflects our resources for the services that we seek to provide in the coming year. The Finance Department directs the Village departments to prepare an expense budget reflecting the current year's staff and program levels. Any requests for additional staff or programs for the upcoming year are reflected separately.

In conjunction with our conversations about revenues and expenses is the underlying Village policy of maintaining a fund balance with at least four months of expenditure level. With any budget, we hope to add to that fund balance, as it is our tool to keep service levels constant when the next recession inevitably occurs. We realized the importance of fund balance during the housing price crash of 2009 and the COVID budget of FY 2020-2021. This FY 2022-2023 budget is projected to add \$76,289 to fund balance.

Multiple meetings are held including members of all departments, finance budget team members, and manager's office staff. During these meetings, department budget expense requests and any historical spending of those line items are reviewed. The Finance Department makes recommendations and Finance budget team members may provide alternatives. The Village Manager considers the input from these meetings and makes a recommendation to the Village Board. The Finance budget staff then prepares the budget worksheets.

VILLAGE OF HOMEWOOD



The end goal of these internal budget meetings is to develop a final budget that has expenditures in line and on par with revenues. That is the case this year for budget year FY 2022-2023.

OUTCOME

The Finance Department has prepared and presented a balanced budget to the Village Manager with total anticipated revenues sufficient to cover the expense requests of projects we plan to complete, along with maintaining a surplus that will be used to increase the fund balance.

FINANCIAL IMPACT

Funding Source:

▪ General Fund	\$23,667,754
▪ MFT Fund	\$ 2,168,000
▪ Water/Sewer Fund	\$10,784,262
▪ Capital Projects Fund	\$ 914,838
▪ TIF Funds	\$ 4,184,000
▪ Debt Service Funds	\$ 644,850
▪ Other	\$ 982,637

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Discuss the FY 2022-2023 Budget as presented.

ATTACHMENT(S)

- Draft FY 2022-2023 Budget
- Draft FY 2022-2023 Budget Highlights
- Village of Homewood Contingency Fund Policy