



VILLAGE OF THORNTON

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Memorandum

Date: June 17, 2024
To: Village Board and President
Subject: FY 2025 Budget

Submitted for your approval is the Village of Thornton's Budget for fiscal year beginning May 1, 2024 ending April 30, 2024. The budget is the operating guideline for the Village and governs the operations and expenditures of the daily operations of the Village. The management team will submit a separate document of the Village's Appropriation Ordinance. The Appropriation Ordinance is the legal spending limits of the Village as defined by Illinois State Statutes. A discussion of the Appropriation Ordinance is included below.

Anticipated Revenues

This budget is predicated on the Village passing a 4.9% increase in the 2024 tax levy in December 2024. The 4.9% is based on the Truth in Taxation calculation, which does not include levies for bonded debt. In 2024, the Village will no longer need to levy for the 2014 G.O. Bond. The net tax levy increase will be approximately 1.71%.

In the coming months, the management team recommends the Village Board review the water and sewer fund rates and approve an increase during this fiscal year. The management team is currently making these recommendations, and the Board will increase the rates in the coming months.

Budget Consideration:

Line Item Detail

Included in the budget presentation are detailed listings for specific accounts. These lists aid in the budgeting process to quantify the needs of that account. It is not intended to be a budgetary constraint on the detail of that specific account.

Personnel

This budget includes a 4% cost of living increase for most nonunion personnel. Included in this budget were adjustments for specific positions to reflect the state mandated minimum wage adjustments over the last several years. Administrator Beckman discussed this in an earlier memo to the Board (dated May 24, 2024). Filled and non-filled positions for the entire year are allocated as such. Longevity increases for personnel are prorated at the old and new rates accordingly. The board is under contract with the Fire Department. The salaries within this

budget reflect those approved in the contract based on an individual's position and years of service.

The Village is currently in contract negotiations with the Patrol Bargaining Unit in the Police Department. The contract will be retroactive to May 1, 2023. This budget reflects an anticipated increase of those salaries at 3% for FYE4/30/2024 and a 4.5% increase for this current year—FYE 4/30/2025. The retroactive pay for FYE4/30/2024 will be reflected as accrued wages as of 4/30/2024. Increases for upper management positions not covered by the bargaining unit may need to be adjusted once the contract is settled. This will be brought before this board at a future date. Those increases are not reflected in the budget being presented. The contingency for those increases is accounted for in the Appropriation Ordinance.

Transfers to Other Funds

In order to account for the flow of cash, and to give the assurance that there is adequate cash to meet this budget, we have accounted for transfers between funds, whether these are permanent transfers or loans for later repayment. Loans to other funds reflect short-term cash flow needs, which are anticipated to be resolved at some time in the future. This is particularly applicable to the TIF funds. Loans to other funds will be presented to the board in the form of a resolution.

Debt Service

This is the final budget year for payments on the G.O. Bond 2014. As such, there will be no debt levy on the 2024 Levy as mentioned above. This budget does include the first anticipated payment on the IEPA loan. This payment will be paid from the Water Capital Improvement Fund. There are no new capital leases presented in this budget.

Appropriations

Presented as a separate document, is a comparison between the operating budget and the recommended Appropriation Ordinance. As in prior years, we recommend increasing the appropriations for most line items 20% over the operating budget. Salary line items are not included in the 20% increase, except where there are known contingencies due to contract negotiations, etc.

The budget process involves all departments as well as the Village's senior management staff. Questions can be addressed to the appropriate department or individuals responsible for that area of operation.

Respectfully submitted,
Arlette Frye