Village of Westmont
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VILLAGE OF WESTMONT
BUDGET WORKSHOP
Fiscal Year 2024-25

Village Hall, 31 West Quincy Street, Westmont, IL

Thursday, April 25, 2024 - 4:30 pm

Attendees

Mayor Gunter, Trustee Barker, Trustee Guzzo, Trustee Hogan-Simonovich, Trustee Liddle, Trustee Nero, Manager May, AVM Parker, Interim Finance Director Narducci, Chief Riley, Chief Gunther, Director Ries, Director Hennerfeind, Director Brainard, Director McIntyre, Deputy Chief Gruen, Supervisor Buh,

Remote staff attendees: Alicja Richards, Cindy Westra, Glen Liljeberg, Ruth Olsson

Guests: Judy Widrlechner, 151 Park Street; Alex Kubacki, 222 S. Wilmette; Dan Charleston; Tom Frank; Larry Forssberg

A special meeting of the Westmont Village Board was called on April 25th at 4:30 pm.

The budget for the next 20 months was presented by Assistant Village Manager Spencer Parker. He thanked everyone for all of their work. Many hours went into putting the budget together. The Interim Finance Director, Nick Narducci, was praised for his efforts in putting together the budget.

The Finance Director position is expected to be filled in late May or mid-June.

The Village Manager talked about changing to a calendar year budget.

Interim Director Narducci shared his experience with the department heads and their supervisors during the transition from a fiscal year budget to a calendar year budget. He praised the knowledgeable and efficient staff, highlighting their ability to provide detailed information promptly. All of the departments were effective in providing information. He thanked Assistant Manager Parker and Village Manager May for their graciousness and collaboration throughout the process.

An overview of the budget process, including a financial overview, highlights of the revenue and expenses, and a conclusion was presented.

The transition year will have two budgets: an eight-month budget from May to December and a 12-month budget from January to December. The revenue for the eight-month budget was approximately 71% of the annual revenue, and the expenses were approximately 69%. The budget priorities are aligned with the organization's strategic plan and include various areas such as public safety, identity and image, and community development.

Assistant Village Manager Parker talked about different types of funds and recurring expenses and one-time expenses when planning the budget. The organization sets aside money for large projects like road repairs and new roads. The financial overview will include fund balance targets and calculations.

A financial overview was presented that provides a comprehensive view of the budget for the 8 month and 12 month budget. The Village's annual budget for the following twelve months is projected to be $85 million, with general fund spending expected to be similar to previous years. The chart also includes a target column, which the town should monitor to ensure it stays on track with its financial goals.

Interim Finance Director Narducci emphasized the importance of credit ratings. The speaker emphasizes keeping a high credit rating, which affects various factors such as borrowing rates and community perception. The credit rating agencies look for a solid financial base, including a certain percentage of annual expenses in the general fund. A target of 50% of annual expenses in the general fund and gradually spending down the fund balance through capital projects was recommended. Organizations should have their own priorities and not live solely by the targets set by credit rating agencies.

The meeting discusses the Village's financial situation and budget. The main points covered are:

- The general fund makes up about 45% of the budget, while the water fund makes up about 16%.
- Personnel expenses account for a significant portion of the budget.
- The Village has five outstanding bond issues, but they are all paid off and there are no plans to issue any new bonds.
- The DEA fund is the asset forfeiture fund, and the money is distributed based on the assets that are forfeited in a drug case.
- The rest of your benefits (health insurance, AD&D, dental life) are all in your general fund, except for water and sewer fund.
- Convention and Tourism hotel motel tax funds are to be used to promote tourism, conventions, special events, and visits to the community.

There is a fully funded vehicle replacement program. This is an extensive process where you bring in the actual cost of the vehicle every year and then that's what you use to calculate the annual expense to your departments. It is funded like any type of funded plan that you're paying into every year. At the end of the useful life of each one of those vehicles there will be enough money to pay for it and replace it. It's fully funded.

The capital funds contain a capital projects fund, the storm fund with a dedicated revenue stream from the additional sales tax & motor fuel tax. The TIF districts, Southwest and Central Business District, are starting to earn revenue. Borrowing by these districts is possible, and once they start generating income, repayment can begin.

Review of the Long range planning fund and the use of fund balances for long-term projects. The policy was to keep a minimum of 20% fund balance in the general fund, with the rest in long-range planning. This year, the focus is on having a 50% fund balance in the general fund and transferring funds to other accounts, such as the Capital fund and TIF funds. The remaining balance in the long-range planning fund is approximately two million dollars.

Assistant Village Manager Parker explained that the capital fund and the TIF have fund balances identical to their targets. This is done through transfers. The long-range planning fund transfers out to the different funds, such as the capital fund, the TIF fund, and the general fund to cover one-time expenditures.

The eight-month budget includes all property taxes, which provides extra cash to offset one-time costs. The recurring revenues of $26 million and recurring expenses of $24 million in the general fund of the eight-month budget help to offset one-time costs. Revenues are slightly higher than recurring expenses in the 12-month budget. A comparison of recurring costs over the last few years shows a slight increase as revenues and expenses both go up. Personnel costs will be high because we are a service-oriented organization at 46%. Contractuals are at 20% and commodities are at 4%.

Trustee Barker had some questions about paying some of the balance of the bonds sooner.

Interim Finance Director Narducci stated that once the new director starts, capital plans and a long term debt plan will be placed on a schedule list to be discussed.

Trustee Barker asked what the biggest risk is to our finances.

Interim Finance Director Narducci stated that you always have to think about the car dealerships, but not much should change in the next 10 years. There is also a lot of time to plan for that. Longer term the only thing to be mindful of is the pension fund. However, that is a concern for all municipalities. Westmont is in a good position currently.

The long range planning fund was discussed. This can almost be described as a savings account that can be used by other funds. The funds in the long range planning fund are held for a contingency and for some bigger projects in the future.

Gave a breakdown of revenue sources within the general fund, emphasizing the significance of sales tax. There was a dip during COVID and subsequent recovery. The eight-month budget is significantly lower due to the shorter time frame. There is a slight growth projected in sales tax.

Car dealers comprise a large portion of of sales tax revenue. However, there are other contributing factors such as grocery stores, Micro Center, restaurants, and other businesses. It was noted that tax revenues have been increasing, which is a positive sign.

Status of the places for eating tax was discussed. Assistant Village Manager Parker indicated that we are doing well. Some delinquencies are to be expected, but overall it is better. The new system that was implemented for people to pay their places for eating tax online has been helpful.

Video gaming revenues were presented. Even though we have a cap on video gaming establishments revenue is being generated. Because we have only one cannabis establishment the revenue can not be highlighted because that would be disclosing information that is proprietary. However, projections are pretty good.

Income tax is also progressing upwards.

Hotel / Motel revenue was presented. They were the hardest hit by the pandemic, but have now recovered and are doing pretty well.

Interest rates are pretty high and we are projected to get about $3,500,000 worth of interest this year. The majority of these revenues would only be used for one time expenditures.

The majority of where the money goes is towards services the Village provides on a regular basis.

Discussion of the Village's plans for the future, including a comprehensive plan, a strategic plan, a branding and marketing plan, and future planning for the Fire Department. The goal is to gather information and have concrete options to make informed decisions about the future of our departments.

The branding plan involves gathering input from stakeholders to determine Westmont's desired image and message. The strategic plan is something that we should do first so we can know what direction we want to go in and a key piece of information when determining what we want people to think when they think of Westmont. The financial aspects of strategic plans and branding / marketing plans were discussed.

The strategic plan is several years old.

This is just setting aside money for these items. The approval process for any marketing plan would be brought before the Village Board. These are just estimates.

The Village is implementing a general wage adjustment for employees, with those who received a 1% increase in January receiving a 2% increase now, and the police officers, who did not receive an increase in January, receiving a 3% increase.. The budget also includes funding for merit-based raises, paramedic contract increases, educational incentives, and fire service stipends.

The Village is investing in facilities and equipment, including the construction of a salt dome and improvements to police and fire facilities. Vehicle purchases, including patrol cars and public works vehicles, are also included in the budget. Vehicles have been ordered, but there may be delays in receiving them due to supply chain issues.

Public Works Director Ries said Dump trucks that were ordered in 2024 and they might be received in 2026. Due to long lead times Public Works is exploring alternative options.

Additionally, the Village plans to invest in various equipment, software, and tools for departments. This would be for such items concerning parking, permitting, fleet, workstations, conference rooms, and fire hose nozzles and radios.

The Village will also increase its annual tree planting by $48,000 and there will be a focus on landscape irrigation. We are implementing a grant program that provides residents with the ability to get a grant to plant trees on their own private property.

The biggest expense for the downtown area is the $3,000,000 for moving the S curve at Burlington and the ComEd relocation that is required to get the property located for development. $2.5 million has been set aside for the Quincy streetscape. $390,000 was set aside for the downtown incentive program. Money was also set aside for some fall and winter decorations and displays in the downtown area.

Trustee Simonovich asked about the ComEd relocation and if this cost is able to be recouped.

Assistant Village Manager Parker stated that it is an investment in the central business district TIF. The Village may recoup some of the cost if the property is developed. However, there is also the possibility that the Village may not be fully paid back before the TIF ends in about 12 years.from now.

The fall and winter decor displays are needing to be replaced because they are getting worn and need repairs. There are firms that set up and store the displays. This will be looked into because it could save money and effort.

The Downtown Incentive Programs (DIP) were discussed. More money can be added to it if needed.

Money has been set aside for safety and the need for an additional fire shift. The Fire Chief explained the increased call volume, the use of the ladder truck, and ambulances. Additional staff is crucial for adequate service. We do at times rely on mutual aid to help with calls.

Assistant Village Manager Parker added to the explanation.

Police Chief Gunther talked about the use of DEA funds to improve the physical fitness facility for police and fire staff. The proposed improvements include new fitness equipment and an infrared sauna. The sauna is intended to provide detoxification and health benefits for firefighters and police officers who are regularly exposed to carcinogens and toxic substances. The sauna is described as being 7 x 9 and is infrared, which raises the surface temperature of the skin.

Public Works Director Ries talked about the various sidewalk projects being planned and executed. We did apply for grants to help with costs.

A resident of Park Street raised concerns about flooding issues in the alley between Hudson and Park, which floods all the time. It is an ongoing issue and water accumulates.

Mentioned plans for lighting projects and the continuation of the dark sky rebate program for residents. The meeting also included a discussion about expanding the dark sky rebate program to include commercial businesses and increasing the funding for the program from $5,000 to $10,000.

There was a review of various water projects funded mainly by the stormwater fund. This budget includes some of the assumptions from the water rate study. To do these projects in a timely manner we will need to have bonds to fund them.

The IEPA is requiring us to replace 7% of lead piping per year. Some of the water main projects will cover some of this replacement. The DuPage Water Commission is increasing their rate by 5.83%.

The 8 month budget and the 12 month budget is scheduled for the 5/2/2024 Village Board meeting. The 8 month appropriations is scheduled to be approved in July 2024. The 12 month appropriation is scheduled for approval in March 2025.

Staffing needs were explained by Department Heads.

Trustee Barker talked about sidewalk repairs and brick replacement in the downtown area. Several suggestions were made, including adding brick crosswalks to enhance safety and aesthetics, repairing the sunken brick problem, and exploring the possibility of using developer activity downtown to fund some of the improvements.

Balancing maintenance costs versus improving what is already there is a key consideration. There is importance of planning and aligning development projects with long-term goals.

The West Quincy Streetscape, The Strategic Plan, and the Marketing / Branding Plan, and Downtown Incentive Programs will be brought before the Board before decisions are made.

Motion made by Trustee Linda Liddle to adjourn the meeting.
Seconded by Trustee Nero and the motion passed.

Ayes: Barker, Guzzo, Liddle, Nero, Simonovich
Nays: None
Absent: Brady

Adjourn: 6:53 pm