

Village of Carol Stream

SPECIAL WORKSHOP MEETING

MONDAY, FEBRUARY 1, 2021

**IMMEDIATELY FOLLOWING 6:00 P.M. VILLAGE BOARD MEETING
HYBRID MEETING – IN PERSON AND ZOOM**

**GREGORY J. BIELAWSKI MUNICIPAL CENTER
500 N. GARY AVENUE
CAROL STREAM, ILLINOIS 60188**

BOARD ROOM

AGENDA


1. CALL TO ORDER
2. ATTENDANCE
3. FY 22 BUDGET WORKSHOP #1 – GENERAL FUND PRELIMINARY ASSESSMENT
4. OTHER BUSINESS
5. ADJOURNMENT

Village of Carol Stream.

Interdepartmental Memorandum

DATE: January 27, 2021

TO: Robert Mellor, Village Manager

FROM: Jon Batek, Finance Director 

SUBJECT: **February 1, 2020 Budget Workshop #1 – General Fund Preliminary Assessment**

Transmitted with this memorandum is the PowerPoint presentation that will be reviewed at this coming Monday's Village Board Budget Workshop meeting.

The purpose of this meeting is to report on the progress of our current fiscal year FY21 and the current state of planning for the new year FY22 budget which begins on May 1, 2021.

By no surprise, the budget landscape is quite unusual having operated under pandemic conditions for nearly a year. At the conclusion of the presentation we will discuss some less frequently used strategies for presenting a FY22 operating plan and budget that continues to meet the needs of the community while providing staff the necessary tools to effectively and efficiently serve the public.

Also attached is a two-page detailed listing of revenue accounts and projections for the General Fund. In the interest of time, the main presentation will only include a high level discussion of the most notable revenue sources. We would of course be happy to discuss any questions the Village Board may have on any individual revenue source.

I look forward to our discussion.

Village of Carol Stream

GENERAL CORPORATE FUND

Revenues

Description	Actual FY 19/20	Revised Budget FY 20/21	Estimated Revenues FY 20/21	Proposed Budget FY 21/22	Projected FY 22/23	Projected FY 23/24	Reference
Property Taxes							
Property Tax	\$0	\$3,800,000	\$3,813,000	\$3,810,000	\$3,810,000	\$3,810,000	1
Road and Bridge Tax	161,844	153,100	153,200	141,600	130,600	119,800	2
Pers. Prop. Repl. Tax	114,919	100,800	92,600	87,800	87,800	87,800	3
Other Taxes							
Sales Tax	6,888,692	6,825,000	6,711,000	7,490,000	7,640,000	7,793,000	4
Electricity Use Tax*	1,817,004	0	0	0	0	0	5
Income Tax	4,304,050	4,170,000	4,375,000	4,157,000	4,157,000	4,157,000	6
Alcohol Tax	253,105	325,000	275,000	300,000	300,000	300,000	7
Amusement Tax	1,325	1,000	1,000	1,000	1,000	1,000	8
Home Rule Sales Tax	5,000,255	5,016,000	4,670,000	5,330,000	5,437,000	5,546,000	9
Real Estate Transfer Tax*	999,671	0	0	0	0	0	10
Natural Gas Use Tax	610,565	620,000	604,000	610,000	610,000	610,000	11
Telecommunications Tax*	758,398	0	0	0	0	0	12
Auto Rental Tax	22,632	26,000	24,000	25,000	25,000	25,000	13
Local Use Tax	1,420,234	1,603,000	1,750,000	1,313,000	1,182,000	1,064,000	14
Hotel Tax	293,138	352,000	109,000	211,000	274,000	288,000	15
Video Gaming Tax	274,597	340,000	170,000	331,500	351,000	351,000	16
State Cannabis Regulation	9,819	32,000	30,000	30,000	30,000	30,000	17
Total Taxes	\$22,930,248	\$23,363,900	\$22,777,800	\$23,837,900	\$24,035,400	\$24,182,600	
Licenses and Permits							
Business/Misc. License	25,500	28,500	28,500	28,500	28,500	28,500	18
Dog License	1,497	1,800	1,500	1,500	1,500	1,500	19
Vehicle License	576,902	700,000	610,000	0	0	0	20
Liquor License	161,148	165,000	130,000	170,000	170,000	170,000	21
Vending Machine License	5,220	5,500	5,500	5,500	5,500	5,500	22
Game Room Fees	875	500	600	600	600	600	23
Building Permits	506,149	550,000	500,000	550,000	550,000	550,000	24
Rental Licensing Fees	71,725	70,000	70,000	70,000	70,000	70,000	25
Video Gaming Permit Fee	88,040	90,500	84,500	88,000	93,000	93,000	26
Small Cell Wire Fee	3,830	5,300	1,000	5,000	5,000	5,000	27
Massage Est. Lic. Fee	2,500	4,000	4,000	4,000	4,000	4,000	28
Tobacco License	3,900	4,100	4,200	4,300	4,300	4,300	29
Total Licenses / Permits	\$1,447,286	\$1,625,200	\$1,439,800	\$927,400	\$932,400	\$932,400	
Charges for Services							
Legal & Planning Fees	120,878	125,000	130,000	130,000	130,000	130,000	30
Liquor Investigation Fees	4,900	8,000	8,000	8,000	8,000	8,000	31
Cable Franchise Fees	521,027	497,000	486,000	462,000	439,000	417,000	32
Public Hearing Fees	43,745	25,000	15,000	25,000	25,000	25,000	33
PEG Fees - Comcast	28,946	28,500	27,900	26,500	25,000	23,800	34
PEG Fees - AT&T	21,493	20,000	19,700	17,700	16,800	16,000	35
Stormwater Plan Review	52,319	130,000	30,000	50,000	50,000	50,000	36
Police Training Act Reimb.	0	12,000	0	0	0	0	37
Police Liaison	228,768	238,000	210,000	245,000	250,000	255,000	38

Village of Carol Stream

GENERAL CORPORATE FUND

Revenues

Description	Actual FY 19/20	Revised Budget FY 20/21	Estimated Revenues FY 20/21	Proposed Budget FY 21/22	Projected FY 22/23	Projected FY 23/24	Reference
Municipal Service Charge	415,000	399,000	399,000	409,000	395,000	396,000	39
Maint. & Rpr. Reimb.	4,234	3,500	4,000	4,000	4,000	4,000	40
Police Reports	3,637	4,000	4,000	4,000	4,000	4,000	41
Mowing - DPC ROW	22,914	24,000	24,000	24,000	24,000	24,000	42
Reim Fee Based/DuMeg	139,496	150,000	50,000	100,000	150,000	150,000	43
Total Charges for Services	\$1,607,357	\$1,664,000	\$1,407,600	\$1,505,200	\$1,520,800	\$1,502,800	
Fines and Forfeits							
Circuit Court Fines	493,756	475,000	350,000	400,000	400,000	400,000	44
Ordinance Violations	85,333	50,000	30,000	40,000	40,000	40,000	45
DUI Tech Funds	48,816	15,000	28,000	20,000	20,000	20,000	46
Court DUI Fines	231,343	250,000	258,000	250,000	250,000	250,000	47
Court Fines - Vehicles	9,544	16,000	1,000	2,000	2,000	2,000	48
False Alarms	21,290	20,000	15,000	20,000	20,000	20,000	49
Vehicle Forfeiture	3,780	0	0	0	0	0	50
ATLE Fines	438,883	375,000	464,000	425,000	425,000	425,000	51
Towing Fee	208,975	250,000	180,000	225,000	250,000	250,000	52
Total Fines and Forfeits	\$1,541,720	\$1,451,000	\$1,326,000	\$1,382,000	\$1,407,000	\$1,407,000	
Interest Income							
Interest Income	354,130	175,000	74,000	105,000	159,000	214,000	53
Other Revenues							
Miscellaneous Revenue	320,053	150,000	150,000	150,000	150,000	150,000	54
IT Library Reimbursement	92,856	95,900	93,200	94,500	97,400	100,200	55
Insurance Reimbursements	154,257	100,000	50,000	100,000	100,000	100,000	56
Sale of Surplus Property	3,156	20,000	41,600	20,000	20,000	20,000	57
Donations & Contributions	29,850	30,000	0	13,000	30,000	30,000	58
Total Other Operating	600,172	395,900	334,800	377,500	397,400	400,200	
Total Operating Revenue	28,480,913	28,675,000	27,360,000	28,135,000	28,452,000	28,639,000	
Non-Operating Revenue							
Intergovernmental Grants	290,101	275,000	2,270,000	300,000	300,000	300,000	59
Total Non-Operating Rev.	290,101	275,000	2,270,000	300,000	300,000	300,000	
Total Revenue	28,771,014	\$28,950,000	\$29,630,000	\$28,435,000	\$28,752,000	\$28,939,000	

* These revenues were reassigned to the Capital Projects Fund beginning in FY20/21.



Village of Carol Stream

FY 22

Budget Workshop #1

GENERAL FUND
Preliminary Assessment

February 1, 2021



Agenda

GENERAL FUND PRELIMINARY ASSESSMENT

- Current Year FY21 Projections
 - Estimated Year-End Revenues
 - Estimated Year-End Expenditures
- New Year FY22
 - Revenue Climate
 - Working Expenditure Budget Requests
 - Budget Balancing Strategies



General Fund Current Year FY21 Projections



FY21 Estimated Revenues

FY21 Year-End Revenue Estimate

FY21 Revenues are projected to end the year \$680,000 or 2.3% above the original budget.

Estimated FY21 Year-End	\$ 29,630,000
Original FY21 Budget	<u>28,950,000</u>
Revenues Above Budget	<u>\$ 680,000</u>

- This total also represents growth of 3.0% over FY20 actual revenues.
- This is remarkable given we have been operating the entire year under pandemic conditions.
- Unfortunately, this is not sustained revenue growth, rather is entirely due to one-time receipt of \$1,995,000 of CARES Act reimbursements from Sept. to Nov. 2020.

FY21 Year-End Revenue Estimate

This is what FY21 estimated revenues look like with \$1,995,000 of CARES Act funds removed:

Estimated FY21 Year-End	\$ 27,635,000
Original FY21 Budget	<u>28,950,000</u>
Revenues Below Budget	<u><u>\$ (1,315,000)</u></u>

- This total is 4.5% below budget as well as 3.9% below last year FY20 actual revenues.
- Very few individual General Fund revenue sources are immune from the economic fallout caused by the pandemic.

FY21 Year-End Revenue Estimate

Variance from Original FY21 Budget Projection

<u>Revenue Source</u>	<u>FY21 Estimate -vs- FY21 Budget</u>	<u>% Variance</u>
Property Tax	\$ 13,000	0.3%
Sales Tax	(114,000)	-1.7%
Home Rule Sales Tax	(346,000)	-6.9%
Local Use Tax	147,000	9.2%
Income Tax	205,000	4.9%
Natural Gas Use Tax	(16,000)	-2.6%
Alcohol Tax	(50,000)	-15.4%
Hotel Tax	(243,000)	-69.0%
Video Gaming Tax	(170,000)	-50.0%
Licenses & Permits	(185,400)	-11.4%
Charges for Services	(256,400)	-15.4%
Fines & Forfeits	(125,000)	-8.6%
Interest Income	(101,000)	-57.7%
All Other	(73,200)	-7.4%
Subtotal before CARES	\$ (1,315,000)	-4.5%
CARES Act Reimb.	\$ 1,995,000	
Total Revenues > Budget	\$ 680,000	2.3%



FY21 Year-End Revenue Estimate

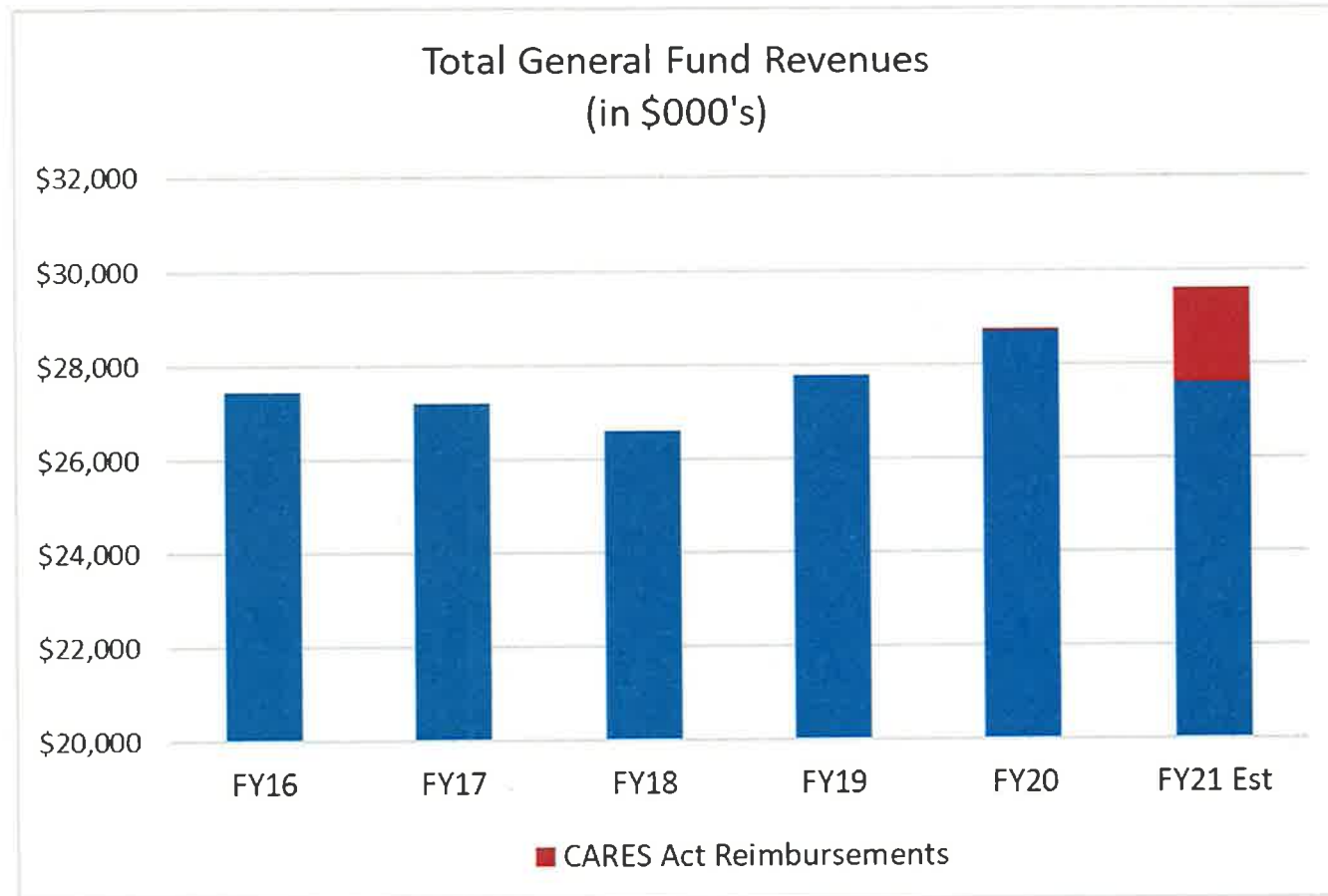
The addition of the property tax to the General Fund has added some desired stability to operations as was discussed during the 2019 Property Tax public forums.

- Reminder: Beginning in FY21, a number of General Revenue sources were reassigned to provide on-going funding to the Capital Projects Fund while the Property Tax was assigned to the General Fund:

Electricity Use Tax
Real Estate Transfer Tax
Telecommunications Tax

- Based on current estimates, had these three diminishing revenues remained in the General Fund, we would have experienced an additional \$170,000 or 5.2% revenue decline.
- The Capital Projects Fund is better able to respond to this decline due to it's longer range planning focus and ability to scale projects compared to the need for greater cash flow stability in the General Fund.

FY21 Year-End Revenue Estimate





FY21 Estimated Expenditures

FY21 Year-End Expenditure Estimate

FY21 Expenditures are projected to end the year \$2.55 million or 8.8% below the original budget.

Estimated FY21 Year-End	\$ 26,401,518
Original FY21 Budget	<u>28,950,000</u>
Expenditures Below Budget	<u>(\$ 2,548,482)</u>

- This has been influenced in large part by the COVID pandemic, but not entirely.
- May 18, 2020 – In anticipation of adverse revenue impacts, the Village Board approved nearly \$2 million in budget deferrals, freezes, and realignments. These items were released on November 16, 2020 however many items could not be completed due to timing constraints.
- Retirements and staff turnover continue at a higher than average pace. One in four staff positions have turned over in the last 3 years.

FY21 Year-End Expenditure Estimate

	Budget FY21	Estimated FY21	Over / (Under) Budget	% Change
Salaries & Wages				
Personal Services	\$ 13,421,974	\$ 12,643,589		
Seasonal Help	55,588	21,056		
Court Time	145,000	106,000		
Overtime	852,900	784,160		
Group Insurance	1,893,326	1,697,441		
IMRF	913,473	834,037		
FICA	1,064,944	966,734		
Work Comp	312,132	312,132		
Unemployment	-	750		
Police Pension	2,850,352	2,862,452		
Total Salaries & Wages	\$ 21,509,689	\$ 20,228,351	\$ (1,281,338)	-6.0%
Contractual Services	6,552,307	5,473,680	(1,078,627)	-16.5%
Commodities	671,704	528,041	(143,663)	-21.4%
Capital Outlay	216,300	171,446	(44,854)	-20.7%
Total Expenditures	\$ 28,950,000	\$ 26,401,518	\$ (2,548,482)	-8.8%

FY21 Year-End Expenditure Estimate

Salaries & Wages

\$1.28 million below budget.

- Savings derived from:
 - Multiple retirements and other position turnover.
 - Position vacancies during recruitment or held for reevaluation.
 - Reduced salaries of replacement employees / position reclassifications.
 - Cancelled PW Seasonal positions.
 - Examples of positions creating savings during FY21 for reasons stated above:

Police Chief	Permit Systems Coord.	Utilities Supervisor
Deputy Chief	Code Professional II	WSE II & PWE II (PW)
Sergeant	Engineering Inspector	Social Services Supv.
CST	Civil Engineer	Social Worker
Records Clerk	Bldg. Maint. Supervisor	Secretary (4)
Police Officer (down by as many as 8, currently down by 2)		

FY21 Year-End Expenditure Estimate

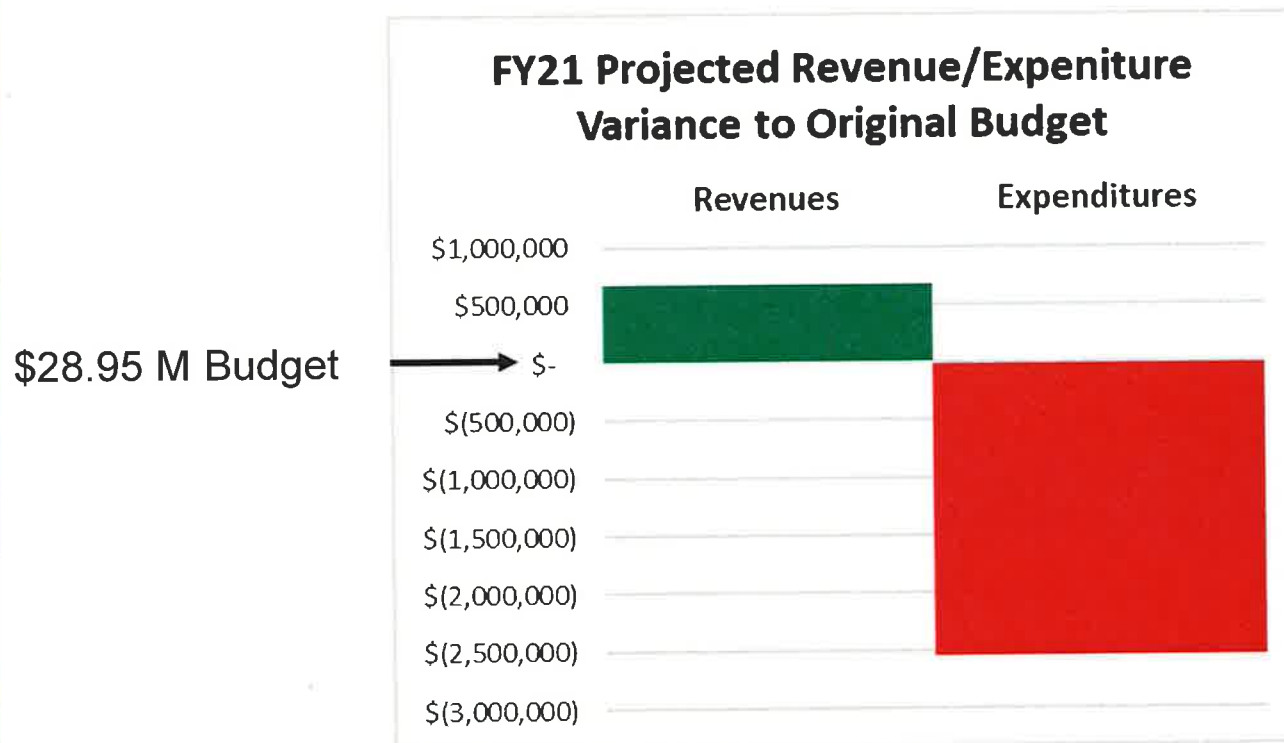
All Other Categories

\$1.27 million below budget.

- DuComm and our GIS consortium provided partial dues/fee relief due to the pandemic - \$228,000 savings.
- Training – many training events cancelled or otherwise held virtually. As of 1/31/21, only 14% of annual amount expended - \$150,000 to \$175,000 savings.
- Sales tax agreement rebates - \$120,000 savings.
- Contractual Stormwater Review decrease - \$95,000 savings.
- Road salt decrease - \$93,000 savings.
- Tree Maintenance deferral - \$66,000 savings.
- Cancelled concerts/fireworks/fountain maint. - \$55,000 savings.
- Fuel – reduced consumption / cost - \$32,000 savings.
- Police Consultant - \$31,000 savings.

FY21 Year-End Surplus Anticipated

With a balanced budget, anticipated revenues over budget (\$680K) combined with expenditures below budget (\$2,548K), yields an anticipated year-end surplus of \$3.2 million.



FY21 Year-End Surplus Anticipated

With CARES Act funding removed from the equation, the surplus would have been approximately \$1.2 million which is about 4.1% of the total General Fund Budget.

- Difficult to say if this would have been the result had the pandemic not occurred.
- Given signs of uncertainty, we tend to act early to hold back on expenditures to maintain balance / stay within means.
- Without CARES funding, we were able to maintain balance in the General Fund with cutbacks. We also benefitted from unusually high retirement levels that may not repeat into the future.
- We need to approach planning for FY22 Budget without anticipation of any type of Federal stimulus.



General Fund New Year FY22



FY22 Revenue Climate



FY22 Revenue Climate

- How FY22 will play out will be largely dictated by the path of the pandemic. Availability and take-up of vaccines (both nationally and world-wide) will play a large role in economic recovery.
- Travel / restaurant / entertainment industry among hardest hit and may lag recovery in other sectors.
- Early 2020 projections of severe recession did not materialize. Downturn buffered by business “retooling” to operate and adapt to pandemic living.
- Possible silver lining? – National economic data indicate high levels of personal savings, signaling potential pent up demand for goods/services once pandemic abates.

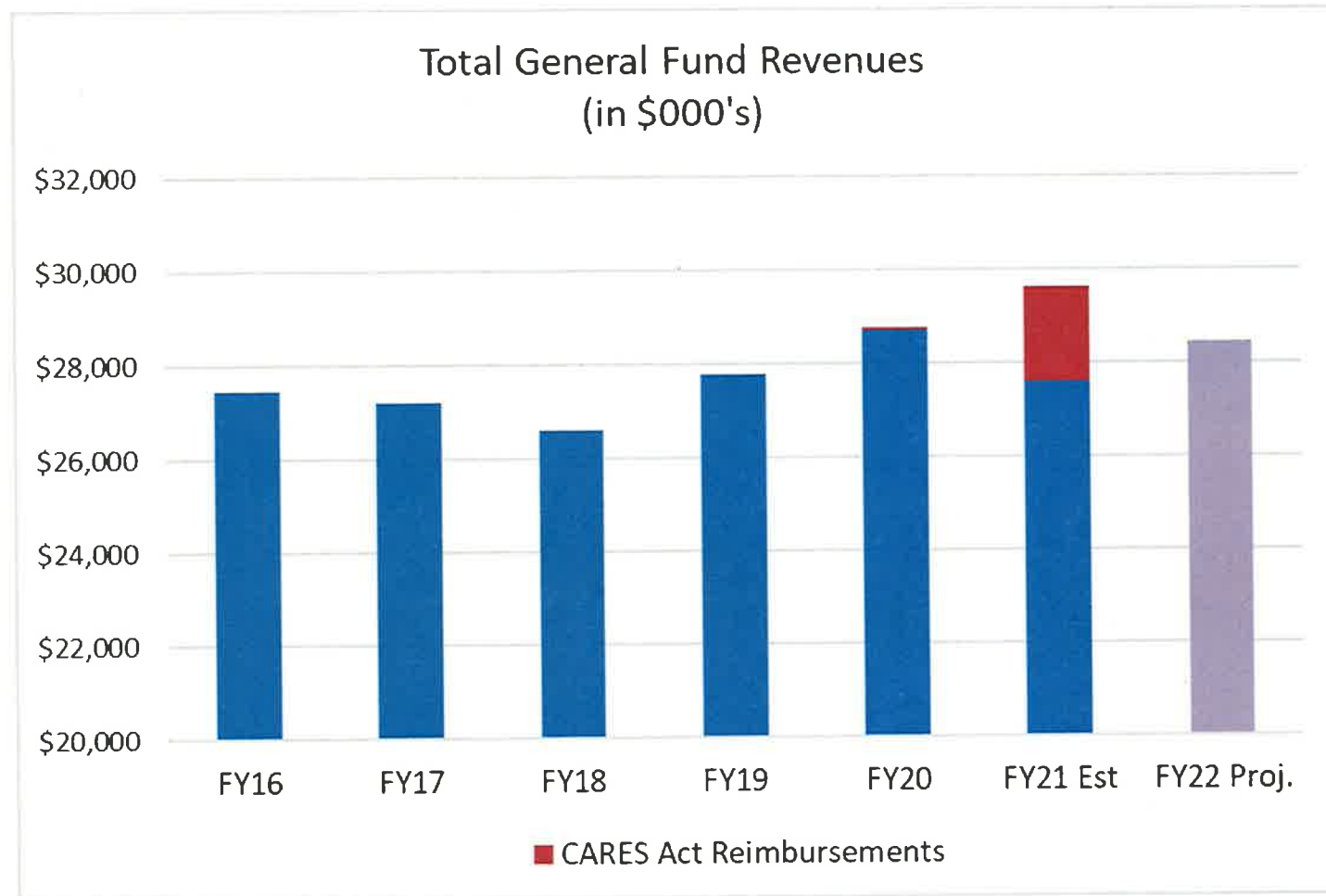
FY22 Revenue Projections

	FY20 <u>Actual</u>	FY21 <u>Budget</u>	FY21 <u>Est.</u>	FY22 <u>Proj.</u>
General	\$ 28,733,651	\$ 28,950,000	\$ 27,635,000	\$ 28,435,000
CARES \$	37,363	-	1,995,000	-
Total	\$ 28,771,014	\$ 28,950,000	\$ 29,630,000	\$ 28,435,000

FY22 Projected Revenues:

- Show recovery of 2.9% over FY21 estimated non-CARES revenues.
- Are still 1.8% below the FY21 Original Budget.
- Are 1.0% below actual FY20 final revenues.

FY22 Revenue Projection





FY22 Revenue Projections

- Current revenue projections will change to some degree in the coming weeks as we await projections from the Illinois Municipal League (IML) for:
 - State Income Taxes
 - Local Use Taxes
 - Personal Property Replacement Taxes (PPRT)



FY22 Revenue Projections

Sales Taxes Take a Hit in FY21

Current estimates project our 1% sales tax will finish FY21 about 1.7% below budget and 2.6% below FY20 actual. Considering what we have been through during the last year, it could have been much worse.

We compared sales tax detail, business by business, for the last 2 full calendar years 2020 vs 2019 to see how various types of businesses performed and to identify any emerging trends.

FY22 Revenue Projections

Sales Taxes Take a Hit in FY21

Observations:

1. Total sales taxes **declined** by **6.2%** between calendar years 2019 and 2020.
2. Gross sales taxes from the top 25 businesses **declined** at a lesser rate of **2.2%**.
 - Top 25 businesses make up 67% of all revenue.
 - Top 10 are the same businesses in both years.
 - We lost 3 of top 25 during early 2020 (Aldi, Ditch Witch, Plated) which weigh heavily into the 6.2% overall decline.
 - Top 25 are generally in favorable sectors. Grocers, home improvement centers and auto sales all performed significantly better in 2020 vs 2019.
 - Small businesses and restaurants struggled.

FY22 Revenue Projections

Sales Taxes Projected to Recover in FY22

Growth in Sales Tax revenues anticipated on 3 fronts:

1. Some recovery from FY21 due to some easing of pandemic restrictions, anticipated mass availability of COVID vaccines and increased “normalcy” (2% on FY21 estimate).
2. New economic development initiatives coming on-line:
 - 7-11 Convenience / Gas @ Schmale / Geneva
 - Jet Foods @ Army Trail / County Farm
 - Dunkin @ North / County Farm
3. January 1, 2021 implementation of the *Leveling the Playing Field for Illinois Retail Act*.



FY22 Revenue Projections

Sales Taxes Projected to Recover in FY22

Leveling the Playing Field for Illinois Retail Act

Adopted in June, 2019, developed in partnership between the Illinois Retail Merchants Association (IRMA) and the Illinois Municipal League (IML) in response to the Supreme Court decision in South Dakota vs Wayfair.

Grants States the authority to compel “remote” retailers to collect and remit taxes in the state where the purchaser lives.

This should result in an increase in taxes from remote retailers selling into Illinois where there is no Illinois business presence or nexus.



FY22 Revenue Projections

Sales Taxes Projected to Recover in FY22

Leveling the Playing Field for Illinois Retail Act

Rather than collecting and remitting Illinois State Use Tax on remote sales into Illinois (which are distributed to all Illinois municipalities on a per capita basis), remote sellers are now required to collect “regular” sales taxes (including Home Rule sales taxes to the municipality where the goods are shipped. Illinois will continue to collect and remit these amounts to municipalities.

Thus, we anticipate a reduction in Local Use Tax, and increase in sales tax (including Home Rule) beginning in 2021. The Illinois Municipal League has estimated that 25% - 50% of Local Use taxes may fall under this new Act. **Our projections are based on the more conservative value of 25% beginning in FY22.**

FY22 Revenue Projections

Sales Taxes Projected to Recover in FY22

We are projecting an increase of \$1,002,000 among the three sales tax revenue accounts in FY22 compared to this year's estimate.

	<u>FY21 Estimate</u>	<u>FY22 Projected</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
1% Sales Tax	\$ 6,711,000	\$ 7,490,000	\$ 779,000	11.6%
Home Rule Sales Tax	<u>4,670,000</u>	<u>5,330,000</u>	<u>660,000</u>	14.1%
All Sales Tax	\$ 11,381,000	\$ 12,820,000	\$ 1,439,000	12.6%
Local Use Tax	\$ 1,750,000	\$ 1,313,000	\$ (437,000)	-25.0%
Net Total	<u>\$ 13,131,000</u>	<u>\$ 14,133,000</u>	<u>\$ 1,002,000</u>	7.6%
<i>% of Total Revenues</i>	<i>44.3%</i>	<i>49.7%</i>		



FY22 Revenue Projections

State Income Tax

- Illinois began diverting municipal shares of the income tax by 10% beginning in their 2018 fiscal year as a “one-time” event.
- This was repeated in 2019 and 2020 at a reduced diversion of 5% (which translates to approximately \$200,000 to Carol Stream).
- The State’s 2021 Budget Implementation Act removed this diversion, thus our FY21 Income Tax allocations are projected to be the highest on record at approximately \$110 per capita.
- Our FY22 budget assumes the State will return to a 5% diversion of income taxes, so a reduction of \$218,000 from our FY21 estimated revenues.



FY22 Revenue Projections

Other Revenues

Revenues projected for some recovery during FY22, but remain below FY21 budget amount include:

Alcohol Tax

Natural Gas Use Tax

Hotel Tax

Video Gaming Tax

Court/Ordinance Fines

Towing Fees



FY22

Working Budget Expenditure Requests

Working Budget Expenditure Requests

	Revised Budget FY20/21	Proposed Budget FY21/22	FY21/22 Proposed to FY20/21 Budget	
Personal Services	\$ 13,421,974	\$ 13,807,501	\$ 385,527	2.9%
Seasonal Help	55,588	59,106	3,518	6.3%
Court Time	145,000	136,000	(9,000)	-6.2%
Overtime	852,900	836,350	(16,550)	-1.9%
Group Insurance	1,893,326	2,007,411	114,085	6.0%
IMRF	913,473	931,627	18,154	2.0%
FICA	1,064,944	1,065,908	964	0.1%
Work Comp	312,132	312,132	-	0.0%
Police Pension	2,850,352	3,068,127	217,775	7.6%
Total Salaries & Wages	<u>21,509,689</u>	<u>22,224,162</u>	<u>714,473</u>	3.3%
Contractual Services	6,552,307	6,537,069	(15,238)	-0.2%
Commodities	671,704	639,195	(32,509)	-4.8%
Capital Outlay	216,300	575,500	359,200	166.1%
Total Expenditures	<u><u>\$ 28,950,000</u></u>	<u><u>\$ 29,975,926</u></u>	<u><u>\$ 1,025,926</u></u>	3.5%



Working Budget Expenditure Requests

The working budget in its current form reflects:

1. A budget to budget increase of \$1M or 3.5%.
2. Initial first-round budget estimates.
3. A staffing plan that remains flat.
4. Compensation adjustments reflecting current labor agreements and parity with non-union positions.
5. Implementation of Police body worn cameras.

Working Budget Imbalance

Comparing to FY21 budget, a reduction of \$500K in revenues combined with expenditure increases of \$1M, results in a working imbalance of \$1.5M.

	<u>FY21 Budget</u>	<u>FY21 Estimate</u>	<u>FY22 Projected</u>	<u>Budget to Budget Increase/ (Decrease)</u>	<u>% Change</u>
Total Revenues	\$ 28,950,000	\$ 29,630,000	\$ 28,435,000	\$ (515,000)	-1.8%
Total Expenditures	\$ 28,950,000	\$ 26,401,518	\$ 29,975,926	\$ 1,025,926	3.5%
Surplus/Deficit	\$ -	\$ 3,228,482	\$ (1,540,926)		



Budget Balancing Strategies



Budget Balancing Strategies

The easy answer to closing a budget gap is:

1. Cutting Expenditures
2. Increasing Revenues
3. A combination of both 1 and 2.

To find appropriate solutions, we must also consider the context in which we are currently operating.

1. Ongoing global pandemic with an uncertain end.
2. A large FY21 operating surplus generated mostly from a one-time revenue combined with budgetary savings we may not necessarily be able to repeat into the future.
3. A challenging job market, unemployment and residents and businesses that are tiring of government restrictions and mandates.



Budget Balancing Strategies

In many respects, FY22 represents a transition year in which we are seeking time to assess what budgets will look like in FY23 and beyond.

- To what extent will revenues bounce back?
- Will there be permanent shifts in consumer behaviors?
- “Playing Field” sales tax law. Relief or mirage?
- Will there be additional Federal/State assistance?
- New unfunded mandates? Police reform bill, others?
- What further damage can Springfield inflict upon municipalities?

This may be the year we need to dig deeper into the budget playbook for some less often used strategies.



Budget Balancing Strategies

Other Strategies to Consider (in addition to traditional approaches):

1. Items planned for FY22 that can be completed in the current fiscal year. Police car laptops example.
2. Drawing from available reserves in our risk management and health insurance pool organizations.
3. Temporarily suspend General Fund reserve policy. Capital Projects Fund does not currently need additional reserves as it has dedicated revenues that fund the 5 year plan. These can be applied to General Fund projects.
4. Special designation of reserves for dedicated projects. Recall the Emerald Ash Borer reserve?



Budget Balancing Strategies

We currently have all of the financial resources on hand to meet the needs of Village operations into FY22 so there is not an immediate need to seek new revenues or make more draconian cuts in service levels.

If FY22 revenues do not begin to bridge the step-down that occurred during FY21, our FY23 budget planning will result in more difficult choices involving service levels and funding options. For now, our current funding position allows us the time to see how this will play out.



**?FEEDBACK?
?QUESTIONS?
?DIRECTION?**