

**SPECIAL WORKSHOP MEETING OF THE MAYOR AND BOARD OF TRUSTEES  
Gregory J. Bielawski Municipal Center, 500 N. Gary Avenue,  
Carol Stream, DuPage County, IL**

**February 7, 2022**

Mayor Frank Saverino, Sr. called the Special Workshop Meeting of the Board of Trustees to order at 7:20pm and directed Clerk Julia Schwarze to call the roll.

Present: Mayor Frank Saverino, Sr., Trustees Jeff Berger, Tom Garvey, John Zalak, Rick Gieser and Mary Frusolone, Village Clerk Julia Schwarze

Absent: Trustee Matt McCarthy

Also Present: Village Manager Bob Mellor, Assistant Village Manager Joe Carey, Assistant to the Village Manager Tia Messino, Finance Director Jon Batek, Public Works Director Phil Modaff, Community Development Director Don Bastian, Engineering Services Director Bill Cleveland, Chief of Police Bill Holmer, Human Resources Director Caryl Rebholz and Information Technology Director Marc Talavera

**FY 23 Budget Workshop #1 – General Fund Preliminary Assessment**

Finance Director Batek led the Village Board in the discussion of the General Fund Preliminary Assessment of revenues and expenditures. The Village Board concurred not to embark on a snow removal plan for the Gary Avenue Pedestrian Path.

The Village Board requested that staff allocate one time funding of the 4<sup>th</sup> of July Parade for the 2023 season in the amount of \$10,000.

Assistant to Village Manager Messino presented the staff proposal for 2022 Town Center events. The Village Board concurred with the events proposed by staff.

The Village Board discussed the possibility of partnering with the Park District for an ice rink in 2024.

The Village Board concurred with staff recommendation for preauthorization of funding for a proposed video shoot of Carol Stream split between FY 2022 and 2023 to take advantage of seasonal shooting conditions.

Attached is the PowerPoint presentation with corresponding details used to guide the meeting.

At 9:12 p.m., Trustee Frusolone moved and Trustee Zalak made the second to adjourn the meeting. The results of the roll call vote were as follows:

Ayes: 5 Trustees Berger, Garvey, Zalak, Gieser and Frusolone

Nays: 0

Absent: 1 Trustee McCarthy

The motion passed.

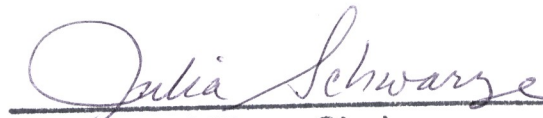
FOR THE BOARD OF TRUSTEES

  
\_\_\_\_\_  
Frank Saverino, Sr., Mayor

ATTEST:

  
\_\_\_\_\_  
Julia Schwarze, Village Clerk

Minutes approved by the President and Board of Trustees on this  
22<sup>ND</sup> day of FEBRUARY, 2022.

  
\_\_\_\_\_  
Village Clerk

*Village of Carol Stream*

**FY 23  
Budget Workshop #1**

**GENERAL FUND  
Preliminary Assessment**

**February 7, 2022**

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**Agenda**

**GENERAL FUND PRELIMINARY  
ASSESSMENT**

- **Current Year FY22 Projections**
  - Estimated Year-End Revenues
  - Estimated Year-End Expenditures
- **New Year FY23**
  - Revenue Projections
  - Working Expenditure Budget Requests

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## FY22 Year-End Revenue Estimate

FY22 Revenues are projected to end the year \$2,605,000 or 9.1% above original budget.

Estimated FY22 Year-End	\$ 31,345,000
Original FY22 Budget	<u>28,740,000</u>
Revenues Above Budget	<u>\$ 2,605,000</u>

- This total also represents growth of 1.3% over FY21 actual revenues which included \$1,995,000 of CARES Act reimbursements. Growth over FY21 is 8.3% without CARES stimulus funds.
- Thus, our revenue gains in FY22 are the direct result of economic growth rather than artificial Federal stimulus.

Note: No American Rescue Plan Act (ARPA) funds are included in the General Fund.

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## FY22 Year-End Revenue Estimate

### Variance from Original FY22 Budget Projection

Revenue Source	FY22 Estimate	%
	-vs- FY22 Budget	Variance
Property Tax	\$ 10,000	0.3%
Replacement Tax (PPRT)	80,000	76.9%
Sales Tax	510,000	6.8%
Home Rule Sales Tax	445,000	8.3%
Local Use Tax	112,000	8.5%
Income Tax	1,026,000	23.3%
Natural Gas Use Tax	(10,000)	-1.6%
Alcohol Tax	(35,000)	-11.7%
Hotel Tax	39,000	18.5%
Video Gaming Tax	59,500	17.9%
Licenses & Permits	105,100	11.3%
Charges for Services	21,200	1.4%
Fines & Forfeits	105,500	7.6%
All Other	136,700	25.1%
<b>Total Revenues &gt; Budget</b>	<b>\$ 2,605,000</b>	<b>9.1%</b>

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## FY22 Year-End Revenue Estimate

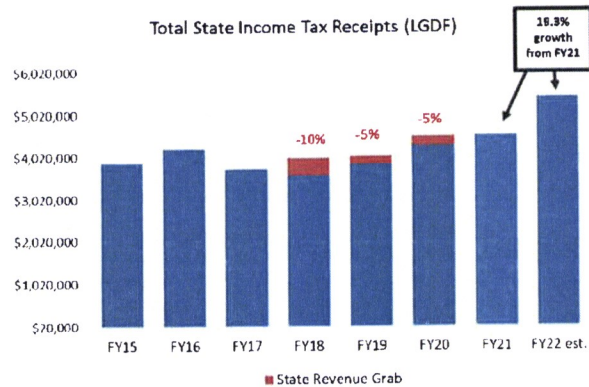
FY22 represents a new high water mark for the following major revenue sources:

1. Sales Tax: \$8.0 million, growth of 20.6% over FY21. Last high point was in FY17 at \$7.8 million prior to the loss of a major retailer. FY22 is 3.0% above that mark.
2. Home Rule Sales Tax: \$5.8 million, growth of 24.3% over FY21. Last high point was in FY20 at \$5.1 million.
3. Income Tax: \$5.4 million, growth of 19.3% over FY21. Last high point was FY21 at \$4.6 million.
4. Video Gaming Tax: \$391,200, growth of 87.9% over FY21. Last high point was FY20 at \$274,600.

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## FY22 Year-End Revenue Estimate

Income Tax Distributions from the Local Government Distributive Fund (LGDF)



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## FY22 Year-End Revenue Estimate

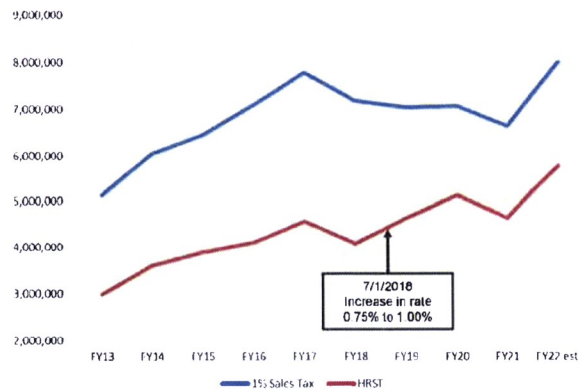
### Income Tax Distributions from the Local Government Distributive Fund (LGDF)

- No State raids of local funds in last 2 years.
- Extraordinary growth in Corporate Income Tax (CIT) receipts / profits.
- Tight labor market and upward pressure on wages / taxable earnings.
- Carol Stream gets a slight additional advantage with the new 2020 Census distribution formula that began in December 2021.

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## FY22 Year-End Revenue Estimate

### 10 Year Sales Tax Trend (cash basis)



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## FY22 Year-End Revenue Estimate

### Significant Sales Tax Growth Returns Following Several Years of Sluggish Performance

- FY22 base 1% sales taxes expected to grow by 20.6% (\$1.4M) and home rule sales taxes increase by 24.3% (\$1.1M) over FY21.
- January 1, 2021 implementation of the “Leveling the Playing Field for Illinois Retail” (LPF) Act has been a game-changer.
- Brick and mortar retail remains healthy. Top 25 businesses (59% of total revenues) posted 6% growth in last 12 months. New additions solidify our local base.

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## FY22 Year-End Revenue Estimate

### Measuring the Impact of New LPF Internet Sales on Carol Stream’s 1% Base Sales Tax Collections

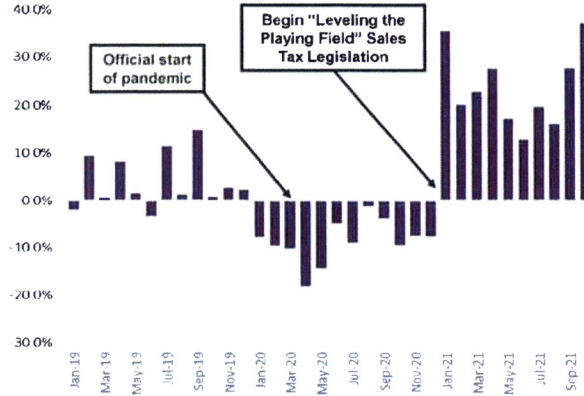
- 9 months of data for CY2021 (January-September) with information on individual businesses added under LPF legislation.

Jan. - Sept. 2021 Total Collections	\$ 5,837,261	LPF Included
Jan. - Sept. 2020 Total Collections	4,791,564	No LPF
Total Revenue Gain	<u>\$ 1,045,697</u>	
Total 9 Month Growth		22%
2021 Revenues Attributable to LPF	\$ 552,227	
LPF Percentage of Total Revenue Growth		53%

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## FY22 Year-End Revenue Estimate

### Year Over Year Percentage Change in Base 1% Sales Tax by Month



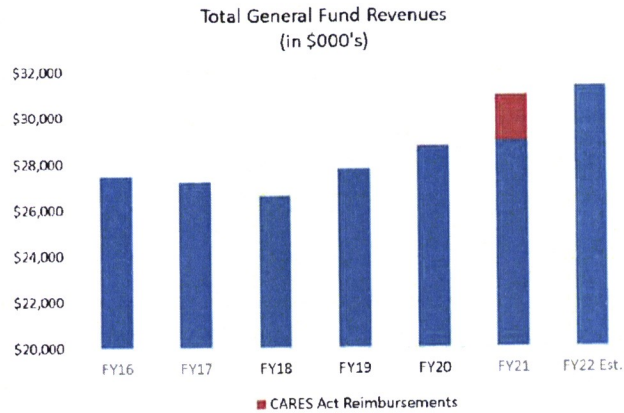
## FY22 Year-End Revenue Estimate

### Largest New Retailers under LPF Act

- Amazon
- Google
- eBay
- DoorDash
- Grubhub
- Uber Eats



## FY22 Year-End Revenue Estimate



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## FY22 Year-End Expenditure Estimate

FY22 Expenditures are projected to end the year \$1.54 million or 5.4% below the original budget.

Estimated FY22 Year-End	\$ 27,200,000
Original FY22 Budget	<u>28,740,000</u>
Expenditures Below Budget	<u>(\$ 1,540,000)</u>

- 2/3 of this variance is due to lower than budgeted personnel salary and benefit costs.
- The remaining 1/3 is in non-personnel related line items.

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## FY22 Year-End Expenditure Estimate

	Budget FY22	Estimated FY22	Over / (Under) Budget	% Change
<b>Salaries &amp; Wages</b>				
Personal Services	\$ 13,742,259	\$ 13,073,509		
Seasonal Help	59,106	12,342		
Court Time	136,000	101,000		
Overtime	836,350	836,225		
Group Insurance	1,994,313	1,797,146		
IMRF	922,330	872,529		
FICA	1,060,916	1,019,225		
Work Comp	312,132	312,132		
Unemployment	-	-		
Police Pension	3,068,127	3,068,106		
<b>Total Salaries &amp; Wages</b>	<b>\$ 22,131,533</b>	<b>\$ 21,092,214</b>	<b>\$ (1,039,319)</b>	<b>-4.7%</b>
<b>Contractual Services</b>	<b>5,913,472</b>	<b>5,467,650</b>	<b>(445,822)</b>	<b>-7.5%</b>
<b>Commodities</b>	<b>637,695</b>	<b>491,666</b>	<b>(146,029)</b>	<b>-22.9%</b>
<b>Capital Outlay</b>	<b>57,300</b>	<b>148,470</b>	<b>91,170</b>	<b>159.1%</b>
<b>Total Expenditures</b>	<b>\$ 28,740,000</b>	<b>\$ 27,200,000</b>	<b>\$ (1,540,000)</b>	<b>-5.4%</b>

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## FY22 Year-End Expenditure Estimate

### Salaries & Wages

**\$1.04 million or 4.7% below budget.**

- Savings derived from:
  - Moderate position turnover and position vacancies / recruiting lags. Retirements have slowed from prior years (3 in FY22 since 5-1-21 vs. 10 in FY21).
  - Cancelled Public Works Seasonal positions for second consecutive year.
  - Lower health insurance renewal costs than anticipated.

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## FY22 Year-End Expenditure Estimate

### Contractual Services

\$446,000 or 7.5% below budget.

- Utilization of various consulting/maintenance services in a number of categories were below historical or planned levels:
  - Emergency Services - \$50,000
  - Legal Services - \$64,000
  - Stormwater Plan Reviews - \$48,000
  - Inspection Services - \$28,000
  - Mowing / Plant Bed Maintenance - \$58,000 (improved pricing)
- Organization-wide training - \$67,000
- Tax rebates lower than projected - \$37,000

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## FY22 Year-End Expenditure Estimate

### Commodities

\$146,000 or 22.9% below budget.

- Fewer Road Salt purchases - \$100,000.

### Capital Outlay

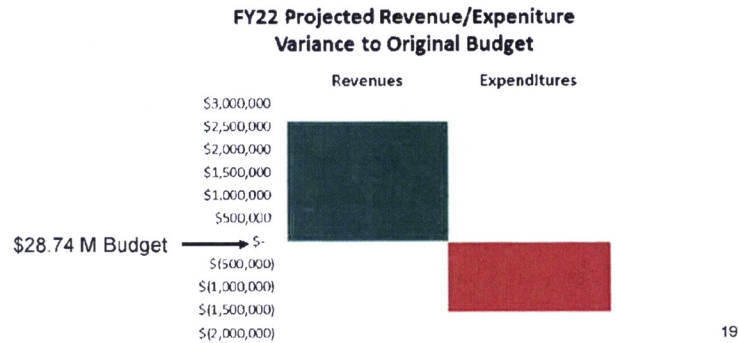
\$91,000 or 159.1% above budget.

- Overage due to supply chain delays in delivery of Police body worn cameras (budgeted/ordered in FY21 but not received until FY22).

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## FY22 Year-End Surplus Anticipated

With a balanced budget, anticipated revenues over budget (\$2.60M) combined with expenditures below budget (\$1.54M), yields an anticipated year-end surplus of \$4.14 million.



## FY23 Revenue Projections

	FY21 Actual	FY22 Budget	FY22 Estimated	FY23 Projected
Operating Revenues	\$28,726,123	\$28,420,000	\$31,025,000	\$31,330,000
Grant Revenues	2,224,134	320,000	320,000	300,000
<b>Total Revenues</b>	<b>\$30,950,257</b>	<b>\$28,740,000</b>	<b>\$31,345,000</b>	<b>\$31,630,000</b>
% Chg. Operating Rev.		-1.1%	8.0%	1.0%

### FY23 Projected Revenues:

- Show growth of 1.0% in total operating revenues from a significantly improved base that was realized in FY22.
- Are 2.2% above actual FY21 revenues that included nearly \$2 million in one-time Federal stimulus funds.

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## FY23 Revenue Projections

### Sales Tax

Continued robust sales tax collections anticipated into FY23 and beyond.

- 4.0% general growth reflecting:
  - Moderate inflationary environment.
  - New businesses coming on line.
  - What appears to be some permanency in new LPR internet sales tax base.

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## FY23 Revenue Projections

### Income Tax

Based on projections provided by the Illinois Municipal League (IML):

- 2.0% decline from FY22 record year, reflecting some tax return timing adjustments for partnerships and S-Corps. that were implemented in FY22 that won't recur in FY23.
- Assumes no additional harm inflicted by the State in terms of municipal revenue grabs.

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## FY23 Revenue Projections

### Hotel Tax

- Assumes continued gradual pandemic recovery from this hard-hit sector. 10% growth from FY22.

### Video Gaming Tax

- Assumes additional 18% growth over FY22 reflecting prospective new installations.

### Video Gaming Push Tax

- Added to revenue budget but budgeted at \$0 at present in light of current unknowns with respect to this new tax.

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## Working Budget Expenditure Requests

	Actual FY20/21	Revised Budget FY21/22	Proposed Budget FY22/23	FY22/23 Proposed to FY21/22 Budget	
Personal Services	\$ 12,668,675	\$ 13,742,259	\$ 14,290,148	\$ 547,889	4.0%
Seasonal Help	19,743	59,106	40,800	(18,306)	-31.0%
Court Time	88,397	136,000	117,000	(19,000)	-14.0%
Overtime	875,071	836,350	858,900	22,550	2.7%
Group Insurance	1,703,843	1,994,313	2,064,119	69,806	3.5%
IMRF	863,845	922,330	919,201	(3,129)	-0.3%
FICA	988,341	1,060,916	1,101,171	40,255	3.8%
Work Comp	312,132	312,132	312,132	-	0.0%
Unemployment	372	-	-	-	0.0%
Police Pension	<u>2,862,409</u>	<u>3,068,127</u>	<u>3,194,300</u>	<u>126,173</u>	4.1%
Total Salaries & Wages	20,382,828	22,131,533	22,897,771	766,238	3.5%
Contractual Services	5,656,437	5,913,472	6,611,377	697,905	11.8%
Commodities	371,037	637,695	619,647	(18,048)	-2.8%
Capital Outlay	<u>343,850</u>	<u>57,300</u>	<u>389,900</u>	<u>332,600</u>	580.5%
Total Expenditures	<u>\$ 26,754,152</u>	<u>\$ 28,740,000</u>	<u>\$ 30,518,695</u>	<u>\$ 1,778,695</u>	6.2%

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## Working Budget Expenditure Requests

The working budget in its current form reflects:

1. A budget to budget increase of \$1.8M or 6.2%.
2. Initial first-round budget estimates (some items will require further adjustment).
3. A staffing plan that adds 4.1 full-time equivalent (FTE) positions entity-wide.
4. Compensation adjustments reflecting current labor agreements and parity with non-union positions.
5. Expansion of some programs and service offerings in response to Village Board strategic goals.
6. A surplus of over \$1 million.

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## General Fund Budget FY23 Salaries & Wages

### Salaries & Wages

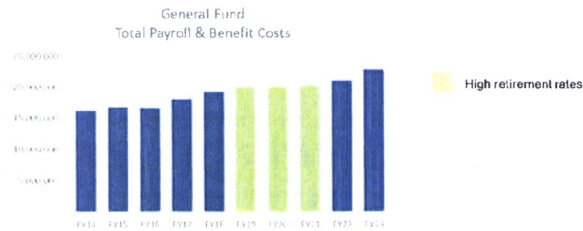
- Represents 75.0% of the total proposed FY23 Budget.
- Includes all employee wage categories (salaries, overtime, seasonal, court time) plus employment taxes (FICA), health benefits, workers compensation insurance and retirement benefits.
- Total Salaries & Wages proposed to increase by \$766,238 or 3.5% over the adopted FY21 Budget.

## General Fund Budget FY23 Salaries & Wages

### Personnel Services Costs

Growth in Personnel Services (salaries) into FY23 has picked up from prior years (+4.0% over FY22 budget and +9.3% from the FY22 year-end estimate) for the following reasons:

1. Labor market pressures.
2. Reduced retirement rates.
3. New position requests.



### Changes in Proposed Village Staffing – FY23

<b>FY22 Authorized Positions</b>	<b>162.35</b>
<b>Administration</b>	
+ PT Administrative Intern	0.60
<b>Information Technology</b>	
- IT Technician <sup>1</sup>	(1.00)
+ Systems Administrator <sup>1</sup>	1.00
+ IT Technician <sup>2</sup>	1.00
<b>Financial Management</b>	
- PT Customer Service Representative	(0.50)
<b>Community Development</b>	
+ PT Planning Technician	0.50
<b>Police</b>	
+ PT Records Clerk	0.50
<b>Public Works</b>	
+ Water Plant Operator	1.00
+ Facilities Technician	1.00
- Public Works Employee <sup>1</sup>	(1.00)
+ Arborist <sup>1</sup>	1.00
<b>Proposed FY23 Authorized Staffing</b>	<b>166.45</b>
Net Change from FY22	4.10
% Change from FY22	2.5%

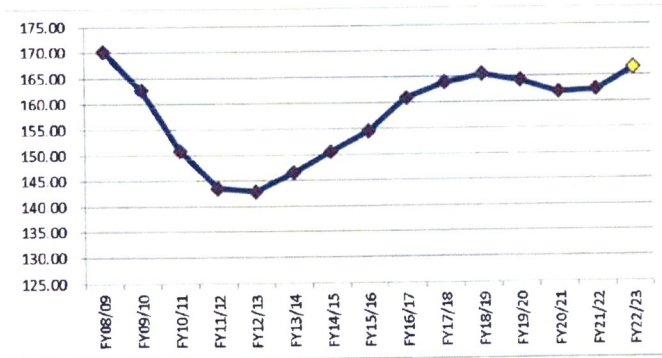
<sup>1</sup> Reassignment of existing personnel. No net increase in staffing.

<sup>2</sup> Eliminates a contractual position resulting in a net budget savings.



## Changes in Proposed Village Staffing (non-seasonal) - FY23

Long-term Authorized Staffing History



## General Fund Budget Non-Personnel Costs Contractual Services

Contractual Services line items show an increase of nearly \$700,000 or 11.8% over the FY22 budget. This is almost entirely due to the return of vehicle depreciation contributions from the General Fund to the Equipment Replacement Fund (ERF) in FY23. FY22 contributions were front-funded in FY21 (and zeroed out in FY22) due to budgetary concerns related to the pandemic.

Also included are expanded events at the Town Center in FY23. Village Board feedback is requested on previously distributed proposed events and activities for the 2022 season including any of those not included in the staff proposal.

## Capital Outlay

Proposed capital purchases for FY23 show an increase of \$332,600 over the FY22 budget. A large component of this total includes an additional \$180,000 for snow and ice control equipment. Village Board discussion of snow and ice program service levels is requested.

## Next Steps / Key Dates

Based on Village Board feedback/direction, updates and refinements will be made to the proposed General Fund budget. A more detailed review of proposed departmental programs and services will be presented at the February 22 budget workshop.

- Tuesday, February 22, 2022
  - Budget Workshop – **General Fund – Part 2**
  
- Monday, March 7, 2022
  - Budget Workshop – **Capital Improvement Program**
  
- Monday, March 21, 2022
  - Budget Workshop – **Water and Sewer Fund and Other Funds**

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