

# FY 2013 Fiscal State of the Village Update



## Items to be Presented:



- Mission and Top 3 Priorities
- FY12 and FY12B results
  - Fiscal Year 2012 (June 1, 2011 to May 31, 2012)
  - Fiscal Year 2012B (June 1 to December 31, 2012)
- FY13 update
- Other issues affecting future budgets

## Village of Lombard's Mission & Top 3 Priorities



- The mission of the Village of Lombard is to provide superior and responsive governmental services to the people of Lombard
- Top 3 Priorities
  - Maintain the established level of service provided to the residents and businesses in Lombard, while ensuring the most cost effective means of service delivery
  - Aggressively approach flood issues
  - Focus on Downtown improvements

## Color Key



- **Green** = Good
- **Yellow** = Warning
- **Red** = Problem



## FY12 General Fund

- Revenues began to pick back up during the year
  - Sales Tax, Income Tax and Places for Eating Tax were all up
  - Interest Income was down significantly due to the low interest rates
- Expenditures were \$1.8 million below original budget
  - Departments focused on controlling costs, finding more efficient ways of delivering services
- Utility Tax Reserve balance for FY12 is \$4,840,729
- 6 PSEBA cases with an annual cost of over \$125,000
- Total Pension costs of \$5.2 million, or 17.6% of total General Fund expenditures



## FY12B General Fund (Unaudited)

- Revenues continued to increase at a moderate pace
- Expenditures were \$980,000 below original budget
  - Departments continue to focus on controlling costs and finding more efficient ways of delivering services
- Utility Tax Reserve balance for FY12 is \$5,611,531
- PSEBA and Pension costs continue to increase



## FY13 General Fund Budget

- Fiscal Year 2013 (January 1<sup>st</sup> to December 31<sup>st</sup> 2013)
- Total proposed expenditures for FY 2013 are \$40,926,610
  - Represents an increase in expenditures of \$2,049,305 (5.3%) compared to the FY 2012A amended budget
- Significant increases in FY 2013 compared to FY 2012
  - Employee health insurance \$957,430
  - Regular salaries \$506,393



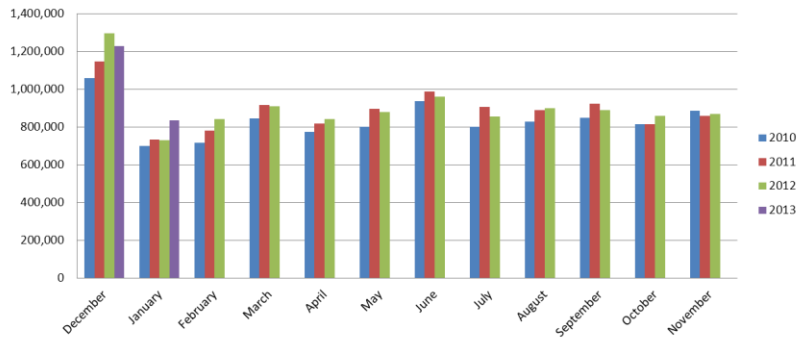
## FY13 General Fund Budget

- Total proposed revenue for FY 2013 is \$40,254,690
  - Represents an increase in revenue of \$1,451,630 (3.7%) compared to the FY 2012A amended budget
  - Significant increase in FY 2013 compared to FY 2012A is primarily due to utilizing an additional \$978,120 of Utility Tax in the General Fund
- Includes the elimination of vehicle stickers



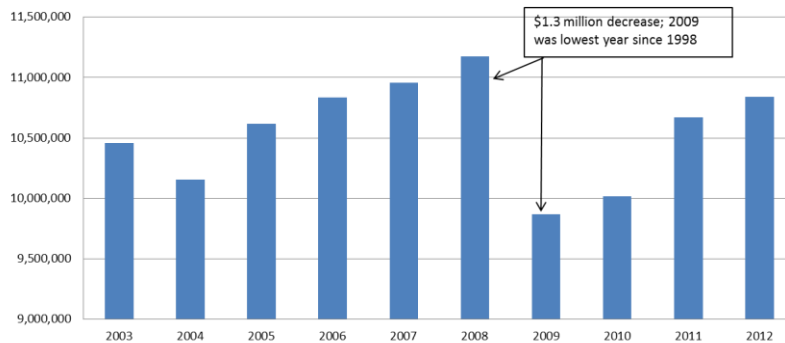
## Revenues

### Sales Tax Receipts



## Revenues

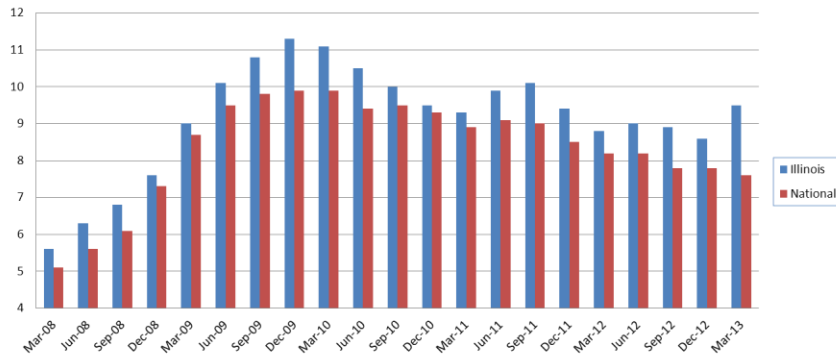
### Total Sales Tax Receipts - Last 10 Years





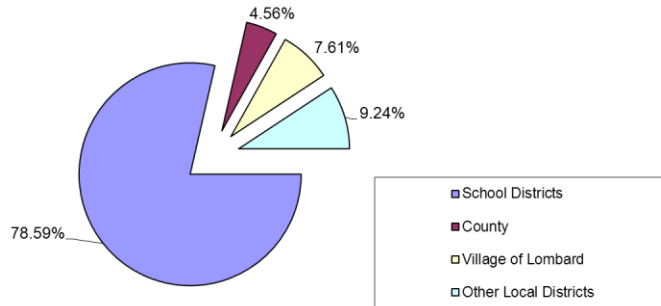
# Revenues

Unemployment Rate - Illinois vs. National



# Revenues

Property Tax Allocation\*



\*Based on tax code 6011. There are 30 tax codes in Lombard and each receives a different property tax bill depending on whether the area is included within a given taxing district's boundaries. This tax code was selected as an example only.

## FY13 Water & Sewer Fund – Operations & Maintenance



- Water sales continue to slowly decline, as water conservation efforts increase
  - From a financial perspective, this is a negative due to the significant fixed costs of over 181 miles of water mains
- Fiscal Year 2013 (January 1<sup>st</sup> to December 31<sup>st</sup>)
  - Total proposed expenditures for FY 2013 are \$15,763,210. This represents an increase of \$1,428,473 (10.0%) when compared with the FY 2012A actual expenditures of \$14,334,737.
  - Total proposed revenue for FY 2013 is \$16,358,960. This represents an increase of \$1,695,029 (11.6%) when compared with FY 2012A actual revenue of \$14,996,931.

## FY13 Water & Sewer Fund – Operations & Maintenance



- The most significant increase for the FY13 budget is due to the rising cost to purchase Lake Michigan Water.
- Below are the increases in rates that the City of Chicago is charging the DuPage Water Commission, where the Village gets its water supply:

<u>Year</u>	<u>Rate</u>	<u>% Increase</u>
2007	1.33	0%
2008	1.53	15%
2009	1.76	15%
2010	2.01	14%
2011	2.01	0%
2012	2.51	25%
2013	2.89	15%
2014	3.32	15%
2015	3.82	15%



## Capital Improvement Program – FY13 Projects

### PROJECT SUMMARY

<u>PROJECT CATEGORY</u>	
Facility Maintenance & Improvements	\$ 1,280,000
Street Construction & Improvements	\$ 8,925,400
Sidewalk Improvements	\$ 105,000
Traffic Signal & Street Lighting Improvements	\$ 342,000
ROW Maintenance & Beautification	\$ 159,200
Sewer System/Stormwater Control Improvements	\$ 5,968,500
Water System Improvements	\$ 1,559,700



## Other Issues

- Pensions
  - Pension costs continue to be a significant cost for the Village.
  - Total pension costs of \$5.3 million for FY13
  - Benefit levels are determined by the state legislature, not local elected officials
- Public Safety Employee Benefits Act (PSEBA)
  - State law passed in 1997 that provides free health insurance for life for any police officer or firefighter who suffers a “catastrophic injury” while responding to an emergency
  - Also must provide free health insurance for all dependents
  - The Illinois Supreme Court ruled in 2003 that “catastrophic injury” equals any line of duty disability





## Other Issues

- PSEBA (cont.)
  - Currently paying health insurance premiums for 6 former police officers and firefighters on disability (and their dependents);
  - Total liability for these 6 claims is \$5.3 million, or \$885,000 per claim
  - Current year insurance premium payments for these 6 PSEBA claims are \$140,000
  - Four pending disability cases that may potentially be eligible for PSEBA



## Other Issues

- Springfield
  - Illinois' financial condition has not improved
  - The State's credit rating has been downgraded to A-, the lowest of all 50 states
  - Threatening to take municipal revenue to balance their budget
- Internet Sales Tax
  - Local businesses and municipalities are currently harmed by online sales that do not charge sales tax
  - Congress appears ready to pass an internet sales tax bill
  - Would provide an even playing field for local businesses, and additional revenue for municipalities

## Conclusion

