



Calendar Year 2021
Budget Workshop

Lombard Legislative & Executive Budget



Legislative & Executive Budget Overview

- Legislative Dept. proposed budget overall decrease of \$74,450 (-12.65%)
 - General Fund decrease \$43,980 (-11.14%)
 - Hotel/Motel Fund decrease \$30,470 (-15.71%)

- Executive Dept. proposed budget overall decrease of \$8,548 (-0.41%)
 - General Fund increase \$63,160 (+5.63%)
 - Hotel/Motel Fund decrease \$50,310 (-12.77%)
 - Liability Risk Management Fund decrease \$21,398 (-3.71%)

Village of Lombard Legislative FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Legislative Department	490,360	588,580	495,250	514,130	(74,450)
President & Board of Trustees	123,851	131,340	129,440	129,220	(2,120)
Village Clerk & Records Admin	180,556	172,290	173,730	172,430	140
Board of Fire & Police Commission	32,626	91,020	47,420	49,020	(42,000)
Museum/Peck House/Main St Cemetery	153,327	193,930	144,660	163,460	(30,470)
<i>Year to Year Increase</i>		<i>20.03%</i>	<i>-15.86%</i>	<i>-12.65%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	



Significant Increase/Decreases:

- **Legislative Department** - Overall decrease of \$74,450 when compared to FY20 (-12.7%)
- **President and Board of Trustees**
 - Overall reduction of \$2,120 (-1.6%)
 - Training and travel reduced \$500
 - Misc. contractual obligations (internet) reduced \$1,400
- **Village Clerk and Records**
 - Overall increase of \$140 (+0.08%)
 - Overall changes are nominal
 - Personnel wage and benefits account for any increases
- **Board of Fire & Police Commission**
 - Overall reduction \$42,000 (-46.1%)
 - Other professional/technical services reduced by \$39,500
 - 2020 processes – FD Lt., PD Lt., PD Sgts.
 - 2021 processes – FD BC, FD firefighters
- **Museum/Peck House/Cemetery**
 - Overall decrease of \$30,470 (-15.7%)
 - Training and travel reduction \$4,000
 - Deferral of roof replacement project reduction \$24,990

Village of Lombard Executive FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
Executive Department	2,166,742	2,091,160	2,011,830	2,082,612	(8,548)
Admin Management	420,909	413,040	427,890	423,460	10,420
Human Resources	330,895	337,620	329,660	330,260	(7,360)
Legal Services	425,278	370,350	425,000	430,450	60,100
Communications	416,831	394,050	318,720	343,740	(50,310)
Risk Management Admin	510,439	520,180	454,640	497,092	(23,088)
Employee Services Liability	62,391	55,920	55,920	57,610	1,690
<i>Year to Year Increase</i>		<i>-3.49%</i>	<i>-3.79%</i>	<i>-0.41%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	



Significant Increase/Decreases:

Executive Department – Overall decrease of \$8,548 when compared to FY20 (-0.4%)

- **Legal Services**
 - Overall increase of \$60,100 for legal services
- **Human Resources**
 - Overall decrease of \$7,360 (-2.2%)
 - Wage and benefits costs for HR Payroll Specialist
 - Training and travel reduction (\$2,330)
- **Administration**
 - Overall increase of \$10,420 (2.5%)
 - Personnel wage and benefits
- **Communications**
 - Overall reduction of \$50,310 (-12.76%)
 - Pride postage eliminated \$10,190
 - Pride printing eliminated \$7,920
 - Transfer to general fund (5% of revenue) reduced \$43,290
- **Liability Insurance Fund Administration**
 - Overall reduction of \$23,088 (-4.4%)
 - Other professional/technical services reduced \$12,578
 - Insurance claims reduction (general liability, property, workers compensation) \$11,980
- **Employee Services**
 - Overall increase of \$1,690 (3.0.%)
 - Misc. contractual obligations and other professional/technical services



Legislative & Executive Challenges:

- Continue to control expenses to manage future deficits and address lost or slow to recover revenues
- Continued implementation of Village strategic initiatives and priorities as detailed in the Strategic Plan
- Identify approach to address anticipated local hotel/motel tax budget deficit:
 - Revenue shortfall anticipated in 2021/2022
 - Address anticipated deficit through use of reserve funds, budget reductions, and budget modifications
 - Evaluation and recommendation through the Community Promotion and Tourism Committee

Hotel Motel Tax Discussion: 12.5% Use of Economic Development Funds

FY 2020 -- 12.5%			
Hotel/Motel Fund Balance 12/31/2019			
\$ 985,066			
FY2020	Budget 1/1/2020	Year-End Estimate 9/1/2020	Explanation
Revenue	\$ 2,043,330	\$ 612,420	Revenue for FY 2020 projects to be approximately 30% of normal due to reduction in travel and large events at hotel properties.
Expense	\$ 2,010,540	\$ 1,159,520	Expenses significantly reduced for two reasons. First is impact on LPFC property where 100% of tax is provided by agreement for debt service on property. This expense projects to be approximately \$200,000 down from \$800,000. Second reason is cancellation of large events including Lilac Parade, Cruise Nights, Fireworks, etc. that reduced need for OT and other related expenses.
Difference	\$ 32,790	(\$547,100)	
Use of 12.5% Economic Development Fund		\$ 101,470	Current budget sets aside 25% of hotel tax revenues for use as economic development incentives per recent state legislation. However, we can choose to use it for traditional hotel/motel expense. Use of 12.5% would allow \$101,470 to be applied. Option exists to allocate the other 12.5% if the Village Board chooses to do so. The thought here is to at least keep some money set aside for possible incentive if the right project proposal was presented.
*Use 45.24% of Beginning Fund Balance		\$ 445,630	*Projected deficit for FY 2020 is significant due to impact of COVID. If supported by Village Board, hotel/motel reserves could be allocated to make up shortfall.
Projected Fund Balance 12/31/2020			
\$ 539,436			

Hotel Motel Tax Discussion: 12.5% Use of Economic Development Funds

FY 2021 -- 12.5%		
Hotel/Motel Projected Fund Balance 12/31/2020		
\$ 539,436		
FY2021	Budget 1/1/2021	Explanation
Revenue	\$ 884,000	Revenue for FY 2021 projects to be 45% of normal due to lagging impacts of travel and large events at hotel properties.
Expense	\$ 1,366,910	The expense projection for FY 2021 is 67% of normal due to decreased amount of tax collected at LPFC property which subsequently reduces the amount that needs to be transferred via agreement. This amount still assumes all historical annual events take place at this time.
Difference	(\$482,910)	
Suggested Option to Address Deficit		
		Explanation
Use of 12.5% Economic Development Fund	\$ 147,000	Use of 12.5% of revenue for hotel/motel budget instead of for economic incentives. Option exists to allocate the other 12.5% if the Village Board chooses to do so. If this was the case, the amount would be \$294,000.
Cancellation or Non-Funding of Events on Case by Case Basis	(\$254,030)	Reduction of \$254,000 assumes that some events will be cancelled on their own due to lack of interest or lingering COVID impacts. However, under this scenario it anticipates reduction in annual grants for other events, reduction in Village programs (Civil War re-enactment, Boosters, Cruise Nights, 4 th of July etc.). This would be done on a case by case basis and NOT deemed to be a permanent reduction.
Use 15.17% of Beginning Fund	\$ 81,881	Use of fund balance from beginning of year to cover projected deficit.
Projected Fund Balance 12/31/2021		
\$ 457,556		
End of year fund balance under this scenario would be \$457,556. However, depending on direction of Village Board regarding use of 25% economic development "set aside" funds and approach to reduction in events, the amount of reserves required may fluctuate.		

Hotel Motel Tax Discussion: 25% Use of Economic Development Funds

FY 2020 -- Alternate 25% Scenerio

Hotel/Motel
Fund Balance
12/31/2019

\$ 985,066

FY2020	Budget 1/1/2020	Year-End Estimate 9/1/2020	Explanation
Revenue	\$ 2,043,330	\$ 612,020	Revenue for FY 2020 projects to be approximately 30% of normal due to reduction in travel and large events at hotel properties.
Expense	\$ 2,010,540	\$ 1,159,520	Expenses significantly reduced for two reasons. First is impact on LPFC property where 100% of tax is provided by agreement for debt service on property. This expense projects to be approximately \$200,000 down from \$800,000. Second reason is cancellation of large events including Lilac Parade, Cruise Nights, Fireworks, etc. that reduced need for OT and other related expenses.
Difference	\$ 32,790	(\$547,500)	
Use of 25% for H/M Fund instead of Economic Development Fund		\$ 203,340	Current budget sets aside 12.5% of hotel tax revenues for use as economic development incentives per recent state legislation allows up to 25%. However, we can choose to use it for traditional hotel/motel expense. Use of 25% would allow \$203,340 to be applied.
*Use of 34% Beginning Fund Balance		\$ 344,160	*Projected deficit for FY 2020 is significant due to impact of COVID. If supported by Village Board, hotel/motel reserves could be allocated to make up shortfall.
Projected Fund Balance 12/31/2020			
\$	640,906		

Hotel Motel Tax Discussion: 25% Use of Economic Development Funds

FY 2021 -- Alternate 25% Scenerio		
Hotel/Motel Projected Fund Balance 12/31/2020 \$ 640,906		
FY2021	Budget 1/1/2021	Explanation
Revenue	\$ 884,000	Revenue for FY 2021 projects to be 45% of normal due to lagging impacts of travel and large events at hotel properties.
Expense	\$ 1,366,910	The expense projection for FY 2021 is 67% of normal due to decreased amount of tax collected at LPFC property which subsequently reduces the amount that needs to be transferred via agreement. This amount still assumes all historical annual events take place at this time.
Difference	(\$482,910)	
Suggested Option to Address Deficit		
Use of 25% for H/M Fund instead	\$ 294,000	Use of 25% of revenue for hotel/motel budget instead of for economic incentives.
Cancellation or Non-Funding of Events on Case by Case Basis	(\$254,030)	Reduction of \$254,000 assumes that some events will be cancelled on their own due to lack of interest or lingering COVID impacts. However, under this scenario it anticipates reduction in annual grants for other events, reduction in Village programs (Civil War re-enactment, Boosters, Cruise Nights, 4 th of July etc.). This would be done on a case by case basis and NOT deemed to be a permanent reduction.
Use of Beginning Fund Balance	\$ -	Use of fund balance from beginning of year to cover projected deficit.
Projected Fund Balance 12/31/2021 \$ 706,026		
End of year fund balance under this scenario would be \$706,026 and could be used in lieu of reduction in events if so directed by the Village Board.		